



Legislation Text

File #: 20-0468R, **Version:** 1

RESOLUTION AUTHORIZING AN INCREASE TO THE ANNUAL CONTRACT FOR ORIGINAL EQUIPMENT MANUFACTURER (OEM) PARTS, SUPPLIES AND LABOR FOR 2020 FROM ZIEGLER, INC. IN THE AMOUNT OF \$100,000 FOR A NEW TOTAL AMOUNT NOT TO EXCEED \$350,000.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to increase the contract for the purchase of OEM parts, supplies and labor in 2020 from Ziegler, Inc. in the amount of \$100,000 for a total amount not to exceed \$350,000 payable as follows:

\$195,000 660-015-5221 (Fleet Services, Public Administration, Equipment Repair Supplies)

\$155,000 660-015-5404 (Fleet Services, Public Administration, Equipment/Machinery Repair & Mtc)

STATEMENT OF PURPOSE: This resolution authorizes an increase to the annual purchase order for 2020 of OEM parts, supplies, and labor to maintain City of Duluth Caterpillar construction equipment such as skid steers, excavators, loaders, motor graders and onsite generators.

Caterpillar OEM parts are used because they are reliable, ensure proper fit and compatibility, and keep us within warranty specifications. The contract will cover both routine maintenance and major repair costs on Caterpillar equipment; and provides a discount on parts as well as on-site repair services to reduce down time on equipment.

The increase in cost is primarily attributable to the costs to repair the City's fleet of 20 leased motor graders. 2020 repair costs for these vehicles will come in above budget as a result of two factors: the increasingly frequent and severe repair issues that arise in aged vehicles at the end of their lease term and the City's contractual obligation to return the vehicles to the lessor "in good repair, working order, and condition."