



# City of Olathe

## COUNCIL AGENDA ITEM

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**MEETING DATE:** 4/20/2021

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**FOCUS AREA:** Infrastructure (Vehicle Maintenance)

**STAFF CONTACT:** Mary Jaeger/Dianna Wright

**SUBJECT:** Acceptance and consideration of award of yearly contract to MMP Business Associates dba Armor Equipment for the replacement of compressed natural gas-powered Front Loaders for the Solid Waste Division of Public Works.

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**ITEM DESCRIPTION:**

Acceptance and consideration of award of yearly contract to MMP Business Associates dba Armor Equipment for the replacement of compressed natural gas-powered Front Loaders for the Solid Waste Division of Public Works.

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**SUMMARY:**

On January 22nd, 2021 four (4) proposals were received for the compressed natural gas-powered solid waste Front Loaders. Purchasing a Solid Waste Collection Truck (such as CNG front-loaders) is a multi-step process. The vendor doing the design work, works alongside two different manufacturers. One company to manufacture a cab and one to manufacture the chassis and then working with one or both manufacturers to merge the cab and chassis together. The lead-times on the cab and chassis are unpredictable. By awarding this three-year, design-build contract, it will allow the vendor adequate time to plan for the lead-times necessary to create the desired vehicle. More importantly, this will provide Solid Waste (SW) and Vehicle Maintenance (VM) Fleet standardization moving forward.

The RFP evaluation process provided an in-depth understanding of the overall construction of the units along with the services that will be provided upon receipt of the equipment. An evaluation team of SW and VM staff assessed the proposals based on familiarity with the types of products and services being requested, design, build, quality and vehicle performance (best value added), service and maintenance plans, and cost.

Armor Equipment was scored highest by the selection committee based on several things that made them stand out above the rest:

- The chassis that was bid (Autocar) specializes in Sanitation. 85% of what they manufacture is for the refuse industry. Currently there are 350 of them in the KC metro, meaning parts availability and service is readily available. The Autocar chassis comes with a 2-year warranty VS. the standard 1-year warranty of other manufacturers. The City of Olathe can expect to see a savings that will cover the \$20,000 premium vs. the lower bids in the second year of the warranty alone.
- Autocar has superior diagnostics to others bid. It will be easier to keep this truck in service and on the road.
- Autocar has more safety features for drivers vs. competitors. Items like increased size of the brake pedal to accommodate work boots, telematics that monitor driver habits, easier entry and exit

for drivers, and the best visibility on the market provide a safer experience for drivers.

- Technical support for both the chassis and body is great.
- Parts availability and cost are cheaper than competitors. No “Captive pricing” on these trucks, meaning we are able to source parts from any truck parts supplier, not just the original equipment manufacturer.
- The body design of the Heil front loader allows all maintenance to be done from the ground.
- The wiring on this body is simplified for easy diagnosis and repair.
- This body is upfitted with low maintenance hoses, hinges, hydraulic cylinders, and a reinforced floor. All of these items will decrease down time and maintenance costs.
- Heil is the industry leader on front loaders. They sell to 60% of the market.
- Armor Equipment is and Olathe vendor that offer excellent service and a convenient location.

All of the reasons listed above should increase truck availability and reduce maintenance costs. Although these trucks were not the lowest proposal we believe that the total cost of ownership will be cheaper over their seven-year life cycle .

Armor Equipment of Olathe, KS and Arnold, MO was the highest scoring respondent graded by our selection committee. Armor Equipment has a service shop and parts inventory located in Olathe.

This contract will allow the City to purchase replacements over the next three years.

The first unit purchased under this agreement will be replacing 02070516, a 2013 Peterbuilt front loader, as part of the regular vehicle replacement process and are fully amortized. 02070516 has paid \$236,371 through lease fees into the VERF. The VERF fund balance will cover the additional \$120,000.

Over the next three years we will be replacing up to 3 more front loaders utilizing this agreement. Staff recommends a three (3) year contract with annual review with Armor Equipment.

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**FINANCIAL IMPACT:**

Total estimated annual expenditure is \$1,059,000.00 and will be paid from the Vehicle Equipment Replacement Fund.

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**ACTION NEEDED:**

Award of yearly contract to MMP Business Associates dba Armor Equipment.

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**ATTACHMENT(S):**

A. Proposal Composite Summary