

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 9, 2014
	Agenda Item No. 43D Roll Call No. <u>14-0873</u> Communication No. <u>14-277</u> Submitted by: Scott E. Sanders, Assistant City Manager / Finance Director

AGENDA HEADING:

Approving the purchase of transmission repair services.

SYNOPSIS:

Recommend approving the purchase of transmission repair services with AAMCO Transmissions (3416 SE 14th Street, Des Moines, IA, Barbara Hoffman, President) for \$40,000. The contract will be used by the Fleet Services Division for the repair or replacement of transmissions of City vehicles as they occur over the next year.

FISCAL IMPACT:

Amount: \$40,000

Funding Source: Fleet Services Maintenance, CM024020, Fiscal Year (FY) 2015 Recommended Operating Budget; page 32

ADDITIONAL INFORMATION:

The Fleet Services Division has a need for outside transmission repair and replacement services. This type of vehicle repair requires specialty diagnostic and testing equipment with adequate facilities designed for transmission repairs and appropriate dedicated mechanical technician skills. Absent of these internal resources, Fleet Services contracts for this service.

Fleet Services has used the contract for transmission repairs on 24 vehicles at an average of \$1,209 per unit. The fixed flat rate varies based on the type of transmission in each unit. Total expenditures for transmission repairs to date is \$29,027. The requested \$40,000 should provide transmission repairs for up to approximately 32 units. There are currently 624 units in the City and Wastewater Reclamation Authority (WRA) fleet that have transmissions that have been priced in the bid from AAMCO. Based on the age and municipal use, and an increasing percent of the vehicle fleet going out of warranty, a 5% failure rate for transmissions would be reasonable and anticipated.

Seven (7) bids were mailed and one (1) received from AAMCO Transmission, who has previously held the contract with the City. Although there was only one (1) bid response, the average price increase is 3.3% higher than the AAMCO Transmission bid response in 2011 and still lower than the second lowest previous bidder in 2011.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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