



## Legislation Text

**File #:** 18-1359, **Version:** 1

MOTION TO APPROVE THE PAYMENT TO TEN-8 FIRE EQUIPMENT INC. FOR WORK THAT WAS COMPLETED WHILE SUBCONTRACTED THROUGH CENTERRA GROUP, LLC, IN THE AMOUNT NOT TO EXCEED OF \$47,156.11, IN THE BEST INTEREST OF THE CITY, PURSUANT TO SECTION 35.18(C)(8) OF THE PROCUREMENT CODE.

### **SUMMARY EXPLANATION AND BACKGROUND:**

1. The maintenance for the Fire Department's fleet of vehicles was performed by Centerra Group LLC until March 31, 2018. The City has signed an agreement with First Vehicle Services, Inc. for the maintenance of the Fire Department's fleet of vehicles, which became effective on April 1, 2018.
2. The agreement with Centerra Group LLC allowed for certain repairs to be sublet through a subcontractor.
3. Ten-8 Fire Equipment Inc. was used by Centerra Group LLC as a subcontractor to complete work for the Fire Department.
4. On November 11, 2018, Centerra Group LLC submitted to the City two past due invoices from Centerra's subcontractor Ten-8 Equipment, Inc. for payment. Centerra explained that they had not received the invoices from Ten-8 Equipment, Inc., and that is why they were not sent to the City for payment until now.
5. Below is the breakdown of the invoices received from Ten-8 Equipment, Inc.:

<u>Invoice #</u>	<u>Date</u>	<u>Order #</u>	<u>Amount</u>
SVI16661	02/21/2018	SVT0000117194	\$43,657.10
SVI1902	04/05/2018	SVT0000117555	\$3,499.01
		Total	\$47,156.11

6. The Fire Department has reviewed the outstanding invoices and has confirmed that the service work that is being claimed for payment was completed and not billed through Centerra Group LLC.
7. The Fire Department would like to pay Ten-8 Equipment, Inc. directly, versus paying Centerra Group LLC, in the Best Interest of the City pursuant to Section 35.18(C)(8) of the Procurement Code.
8. Section 35.18(C)(8) Best Interest of the City states "Purchases of and contracts for commodities or services are exempt from this section when the City Commission declares by a simple majority affirmative vote that the process of competitive bidding and competitive proposals is not in the Best Interest of the City. The City Commission shall make specific factual findings that support its determination, and such contracts shall not be placed on the City Commission consent agenda."

9. Below are the factual findings:

- The Fire Department has reviewed the outstanding invoices and has confirmed that the service work was completed and the work was never invoiced.
- The Fire Department has agreed that the invoices should be paid.
- The City's contract with Centerra Group LLC is no longer active.
- The City will save 10% by paying Ten-8 Equipment, Inc. directly, as the contract with Centerra Group LLC had a 10% markup, which was also included on sublet work.

10. Request Commission to approve the payment to Ten-8 Fire Equipment Inc. for work that was completed while subcontracted through Centerra Group, LLC, in the amount not to exceed of \$47,156.11, in the Best Interest of the City, pursuant to Section 35.18(C)(8) of the Procurement Code.

**FINANCIAL IMPACT DETAIL:**

- a) Initial Cost:** \$47,156.11
- b) Amount budgeted for this item in Account No:** \$0 are available in account # 1-529-4003-46300 (R & M Motor Vehicles).
- c) Source of funding for difference, if not fully budgeted:** Upon Commission approval, \$47,156.11 will be transferred from account # 1-529-4003-12997 (Sick leave) to # 1-529-4003-46300 (R & M Motor Vehicles).
- d) 5 year projection of the operational cost of the project:** Not Applicable.
- e) Detail of additional staff requirements:** Not Applicable.