



Cover Memorandum/Staff Report

File #: 25-1115

Agenda Date: 9/15/2025

Item #: 6.J.10.

TO: Mayor and Commissioners
FROM: Missie Barletto, Public Works Director
THROUGH: Terrence R. Moore, ICMA-CM
DATE: September 15, 2025

APPROVAL OF RESOLUTION NO. 179-25 TO AWARD AN AGREEMENT WITH PAI HOLDOC, INC. DBA PARTS AUTHORITY, LLC FOR THE PURCHASE OF ORIGINAL EQUIPMENT MANUFACTURER VEHICLE PARTS AND SUPPLIES UTILIZING SOURCEWELL RFP #080124 IN THE AMOUNT OF \$525,000.00

Recommended Action:

Motion to approve Resolution No. 179-25 to award an agreement with PAI Holdoc, Inc. dba Parts Authority, LLC for the purchase of Original Equipment Manufacturer (OEM) Vehicle Parts and Supplies utilizing Sourcewell RFP #080124 in the amount of \$525,000.00.

Background:

On November 12, 2024, Sourcewell, a State of Minnesota local government agency and service cooperative that offers cooperative procurement solutions to government entities, issued Agreement RFP #080124-PAH pursuant to RFP #080124 with PAI Holdoc, Inc. dba Parts Authority, LLC (Parts Authority) for the purchase of OEM Vehicle Parts and Supplies. The agreement is for four (4) years, with the option to renew for three (3) additional one-year periods.

The Fleet Maintenance Division of the Public Works Department (Fleet Maintenance) has an ongoing need to purchase OEM vehicle parts and supplies on an as-needed basis. These parts and supplies include, but are not limited to, vehicle brakes, batteries, engine and air conditioning components, and suspension parts. Fleet Maintenance wishes to utilize the terms, conditions, and pricing of Sourcewell RFP#080124-PAH for the purchase of these parts.

Agreement Value		
Initial Term	Upon execution - November 14, 2028	\$300,000.00
Renewal Year 1	November 15, 2028 - November 14, 2029	\$75,000.00
Renewal Year 2	November 15, 2029 - November 14, 2030	\$75,000.00
Final Renewal	November 15, 2030 - November 14, 2031	\$75,000.00
TOTAL		\$525,000.00

The City, at its sole discretion, reserves the right to terminate this agreement with or without cause immediately upon providing written notice to the contractor. Upon receipt of such notice, the contractor shall not incur any additional costs under the agreement. The City shall be liable only for reasonable costs incurred by the contractor prior to the date of the notice of termination. The City shall be the sole judge of "reasonable costs."

This motion is in accordance with the Code of Ordinances Chapter 36.02, Commission Approval Required; and Purchasing Policies and Procedures, Accessing Contracts from Other Government Agencies and Not-for-Profit Organizations.

Attachments:

1. Resolutions No. 179-25
2. Exhibit B to Resolution No. 179-25_Insurance
3. Agreement P2025-038
4. Exhibit A to Agreement P2025-038_Price Proposal Summary
5. Legal Review Checklist
6. Sourcewell RFP #080124-PAH
7. Sourcewell RFP #080124

City Attorney Review:

Approved as to form and legal sufficiency.

Funding Source/Financial Impact:

Funding is available from account number 501-43-000-549.52-52 (Operating Supplies External Parts).