City of Sacramento City Council - 2PM Report 915 I Street Sacramento, CA 95814

www.cityofsacramento.org

File ID: 2025-01412 8/12/2025

Contract Supplement No. 2: Cummins Original Equipment Manufacturer (OEM) Parts and Repair Services [Published for 10-day Review on 07/31/2025]

File ID: 2025-01412

Location: Citywide

Recommendation: Pass a **Motion** authorizing the Interim City Manager or designee to execute Supplement No. 2 to Contract 2023-1219 with Dobbs Heavy Duty Holdings LLC, dba Dobbs Truck Group, Inc. for Cummins Original Equipment Manufacturer (OEM) Heavy Duty Truck Parts and Repair Services in an amount not to exceed \$300,000 for a revised total contract not-to-exceed amount of \$1,050,000.

Contact: Stacey Chatman, Program Specialist, (916) 808-6711, schatman@cityofsacramento.org; Alison Kerstetter, Fleet Manager, (916) 808-1163, akerstetter@cityofsacramento.org; Department of Public Works

Presenter: None

Attachments:

1-Description/Analysis

2-Contract Supplement No. 2

Description/Analysis

Issue Detail: The Department of Public Works, Fleet Management Division, relies on a steady supply of Cummins parts and repair services to maintain the City's fleet. Cummins engines are widely used in heavy-duty vehicles, including dump trucks, fire engines, and refuse trucks making these services essential to daily operations.

To secure a vendor, the City issued an invitation for bids (IFB) on June 5, 2023, with a closing date of June 23, 2023. Four bids were received; however, all were deemed non-responsive for failing to meet the Local Business Enterprise (LBE) participation requirements. Rather than reissue the IFB with an LBE waiver, the City Council passed Motion No. 2023-0253 on September 12, 2023, suspending competitive bidding and awarding a contract to Dobbs Truck Group, Inc. the lowest bidder for Cummins Original Equipment Manufacturer (OEM) parts and heavy-duty truck repair services.

8/12/2025

File ID: 2025-01412

Recently, there has been a noticeable increase in the need for Cummins Engine repairs due to unintended part failures and other non-warrantied issues. While this part of a broader industry trend, and not specific to the City's fleet, it has resulted in higher than anticipated repair costs. As a result, an increase in the total contract amount is now necessary to ensure continued service availability.

Policy Considerations: The recommendations in the report are in accordance with City Code Section 4.04.020 and Council Rules of Procedure, Chapter 7, Section E.2.d., which mandate that unless waived by two-thirds vote of the City Council, all labor agreements, and all agreements greater than \$1,000,000 shall be made available to the public at least ten (10) days prior to the City Council action. This item was published for 10-day review on July 31, 2025, in compliance with City Code.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): No environmental review is necessary because the recommendations in this report involves the purchase of parts and services and are not considered to be a project in accordance with Section 15378(b)(2) of the California Environmental Quality Act guidelines.

Sustainability: Not applicable.

Commission/Committee Action: None

Rationale for Recommendation: On September 12, 2023, the City entered into a contract with Dobbs Heavy Duty Holdings LLC, dba Dobbs Truck Group, Inc. for Cummins Original Equipment Manufacturer (OEM) heavy duty truck parts and repair services.

The anticipated not-to-exceed amount on the contract is nearing exhaustion due to increased need for parts and services within recent months. There has been a noticeable increase in the need for Cummins Engine repairs due to catastrophic failures and other non-warrantied issues which have increased spending. Staff recommends increasing the current contract by \$300,000 to a new not to exceed amount of \$1,050,000.

Financial Considerations: Sufficient funding exists in the Department of Public Works fiscal year 2025/26 operating budget (Fleet Fund, Fund 6501) for Cummins Original Equipment Manufacturer (OEM) parts and repair services through June 30, 2026. Purchase of services made after June 30, 2026, are subject to funding availability in the adopted budget of the applicable fiscal year.

File ID: 2025-01412 8/12/2025

Local Business Enterprise (LBE): Dobbs Heavy Duty Holdings LLC, dba Dobbs Truck Group, Inc. is not an LBE.



CONTRACT ROUTING SHEET

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, it is NOT part of the contract.

General Information (<u>Requirea)</u>	
Original Contract # (supplements only): 2023-1219		Supplement/Addendum #: 02
Assessor's Parcel Num	nber(s):	
Contract Effective Date	2: 09/12/2023	Contract Expiration Date (if applicable): 09/12/2028
\$ Amount (Not to Exceed): \$ 1,050,000.00 Other Party: Dobbs Truck Group		Adjusted \$ Amount (+/-): <u>\$300,000</u>
Project Title: Original E	quipment Manufacturer (OEM) for P	arts and Repair for Cummins
Project #:		Bid/RFQ/RFP #: B23153311012
City Council Approval:	YES if YES, Council File	ID#: <u>2025-01412</u>
Contract Processing	<u>Contacts</u>	
Department: Public W	orks	Project Manager: Stacey Chatman
Contract Coordinator:	Stacey Chatman	Email: schatman@cityofsacramento.org
Department Review a	and Routing	
Accounting:		
	(Signature)	(Date)
Supervisor:		
	(Signature)	(Date)
Division Manager:	(0: 1)	(D. 1.)
	(Signature)	(Date)
Other:	(Signature)	(Date)
Special Instruction/Co	omments (i.e. recording requeste	ed, other agency signatures required, etc.)
Recordin	ng Requested (Other Party Signature Required

------FOR CLERK & IT DEPARTMENTS ONLY – DO NOT WRITE BELOW THIS LINE---------

SUPPLEMENTAL CONTRACT

Project Title and Job Number: Cummins Original Equipment Manufacturer Parts and Repairs Date: 07/16/25
Purchase Order #: Supplemental Contract No.: 02

The City of Sacramento ("City") and <u>Dobbs Heavy Duty Holdings LLC, dba Dobbs Truck Group</u> ("Contractor"), as parties to that certain Non-Professional Services Agreement designated as Contract Number <u>2023-1219</u>, including any and all prior supplemental contracts modifying the contract (the contract and all supplemental contracts are hereafter collectively referred to as the "Contract"), hereby supplement and modify the Contract as follows:

1. The Scope of Services specified in Exhibit A of the Contract is amended as follows:

Paragraph 3, "Time of Performance," is hereby amended to extend time of performance through September 11, 2026.

2. In consideration of the additional and/or revised services described in section 1, above, the maximum not-to-exceed amount that is specified in Exhibit B of the Contract for payment of Contractor's fees and expenses, is increased/decreased by \$300,000, and the Contract's maximum not-to-exceed amount is amended as follows:

Agreement's original not-to-exceed amount:	\$750,000
Net change by previous supplemental contracts:	\$ 0
Not-to-exceed amount prior to this supplemental contract:	\$750,000
Increase/decrease by this supplemental contract:	\$300,000
New not-to exceed amount including all supplemental contracts:	\$1,050,000

- 3. Contractor agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 2, above, shall constitute full compensation for the additional and/or revised services specified in section 1, above, and shall fully compensate Contractor for any and all direct and indirect costs that may be incurred by Contractor in connection with such additional and/or revised services, including costs associated with any changes and/or delays in schedules or in the delivery of other services by Contractor.
- 4. Contractor warrants and represents that the person or persons executing this supplemental contract on behalf of Contractor has or have been duly authorized by Contractor to sign this supplemental contract and bind Contractor to the terms hereof.
- 5. Except as specifically revised herein, all terms and conditions of the Contract shall remain in full force and effect, and Contractor shall perform all of the services, duties, obligations, and conditions required under the Contract, as supplemented and modified by this supplemental contract.

[SIGNATURES ON FOLLOWING PAGE]

SUPPLEMENTAL CONTRACT

Approval Recommended By:	Approved As To Form By:	
	Paul A. Gale	
Project Manager	City Attorney	
Approved By:	Attest:	
Robert Bumgardner (Jul 17, 2025 10:38 PDT)		
Contractor	City Clerk	
Approved By:		
Ryan Moore, Assistant City Manager City of Sacramento		