File ID: 2026-01772 12/1/2026

[Contract Supplement] New Way Original Equipment Manufacturer Parts and Services [Two-Thirds Vote Required; Published for 10-Day Review 11/18/2026]

File ID: 2026-01772

Location: Citywide

Recommendation: Pass a **Motion** by two-thirds vote 1) suspending competitive solicitation requirements in the best interest of the City to utilize sole-source procurement for parts and services for City trash collecting equipment; and 2) authorizing the City Manager or designee to execute Contract Supplement No. 1 to Contract PRC004013 with Ray Gaskin Service for New Way OEM parts and services, increasing the contract by an amount not-to-exceed $1,251,000, for a revised not-to-exceed contract amount of $1,500,000.

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 PRC004013 Supplement No. 1

Description/Analysis
Issue Detail: The Department of Public Works, Fleet Management Division, is responsible for maintaining the City's solid waste collection fleet, which includes heavy-duty refuse trucks equipped with specialized New Way bodies. On February 1, 2026, the City entered into Agreement No. PRC004013 with Ray Gaskin Service for the purchase of Original Equipment Manufacturer (OEM) New Way parts and specialized repair services, with a five-year term through January 31, 2031, and an initial administrative not-to-exceed authority of $249,000.

Initial projections estimated an annual expenditure of approximately $50,000 under this agreement. However, due to an unexpected surge in major component repairs and rising parts costs over recent months, actual spending has significantly exceeded original forecasts. Based on recent repair trends and anticipated fleet maintenance requirements over the remaining contract term, annual

expenditures are now projected at approximately $300,000 annually.
To ensure sufficient contract capacity and prevent disruptions to solid waste collection services, staff recommend executing Supplemental Agreement No. 1 to Agreement No. PRC004013 with Ray Gaskin Service. This amendment will increase the contract's total not-to-exceed capacity from $249,000 to $1,500,000 over the five-year term ending January 31, 2031.

Policy Considerations: The recommendations in this report comply with applicable Sacramento City Code provisions and administrative policies:

- *Contract Thresholds:* Pursuant to Sacramento City Code Section 3.04.020 and Section 15.A of the Administrative Policy for Non-Professional Services, contract amendments that result in a cumulative total of $250,000 or more exceed administrative approval authority and require City Council authorization. Execution of Amendment No. 1 increases the cumulative contract value from $249,000 to $1,000,000, necessitating Council approval.

- *Competitive Bidding Suspension:* Sacramento City Code Sections 3.56.230, 3.56.120.B and Section IV.3.2.D.3 of the Administrative Policy for Non-Professional Services require competitive solicitation for non-professional services contracts of $250,000 or more, unless suspended by a two-thirds (2/3) vote of the City Council upon finding that an alternative procurement method is in the City's best interest.
    - A sole-source award was previously justified under administrative authority ($249,000). Continued sole-source authorization is warranted due to ensuring the warranty for refuse truck bodies stays intact during the life of the vehicle.
- *Contracts Exceeding $1 Million* Sacramento City Code Section 4.04.020 and City Council Rules of Procedure (Chapter 7, Section E.2.d) require a 10-day public posting period prior to Council action for agreements equal to or exceeding $1,000,000. In compliance with these requirements, this item was published on November 18, 2026, for public review.

Economic Impacts: None.

Environmental Considerations:
California Environmental Quality Act (CEQA): No environmental review is necessary because the proposed activities in this report involve the purchase of vehicle maintenance and repair and are not considered to be a project in accordance with Section 15378(b)(2) of the California Environmental Quality Act guidelines and is therefore not subject to CEQA Guidelines Section 15060(c)(3).

Sustainability: The recommended purchase agreement is consistent with the updated Fleet Sustainability Policy adopted by City Council on December 12, 2017 (Resolution No. 2017-0478) and California Air Resources Board (CARB) regulations as there are no comparable zero emission models available for purchase that meet operational requirements.

Commission/Committee Action: None.

Rationale for Recommendation: Essential solid waste, recycling, and organic waste collection services rely directly on the operational readiness of the City's refuse fleet. Specialized New Way OEM replacement parts and certified repair services are critical to keeping heavy-duty collection trucks on their routes without interruption. Maintaining a reliable supply of OEM parts and specialized service capacity prevents missed collection routes, reduces fleet downtime, and eliminates neighborhood waste accumulation, thereby safeguarding public health, sanitation, and community cleanliness.

Gaskin Service is the only regional authorized dealer for New Way OEM parts and specialized equipment services. Utilizing non-OEM parts or uncertified service technicians risks voiding manufacturer warranties, causing premature equipment failure, and increasing long-term repair costs. Suspending competitive bidding to execute Amendment No. 1 is in the City's best interest because it secures essential equipment capacity, maintains standardized fleet assets, and prevents operational halts.

Increasing the not-to-exceed contract limit from $249,000 to $1,000,000 provides necessary multi-year contract capacity, but does not obligate the City to spend the full amount. All expenditures under this agreement remain subject to annual City Council budget authorizations and available operational funds

Financial Considerations: Sufficient funding is available in the Department of Public Works, Fleet Management Division's FY 2026/27 approved operating budget (Fleet Fund 6501) to support purchases through June 30, 2027. Any purchases made after that date will be contingent upon funding availability in the applicable fiscal year's adopted budget.

Local Business Enterprise (LBE): Ray Gaskin Service is a Local Business Enterprise (LBE).

CONTRACT #: PRC004013
AMENDMENT #: 01
CONTRACT NAME: OEM Parts and Service for New Way
NOT TO EXCEED AMOUNT (INCLUDING SUPPLEMENTS): $1,500,000

DATE: 12/1/2026
PROJECT: None
SOLICITATION: Alternate
MOTION / DATE OR FILE ID: 12/1/26 2026-01772

CITY OF SACRAMENTO

CONTRACT AMENDMENT
CHANGE IN NOT-TO-EXCEED AMOUNT

The City of Sacramento ("City") and **Ray Gaskin Service**("Contractor"), as parties to that certain contract designated as Contract Number **PRC004013**, including any and all prior amendments modifying the contract (the contract and all amendments are hereafter collectively referred to as the "Contract"), hereby amend the Contract as follows:

1. The maximum not-to-exceed amount that is specified in the Contract for payment of Contractor's fees and expenses is **increased** by $**1,251,000**, and the Contract's maximum not-to-exceed amount is amended as follows:

Contract's original not-to-exceed amount:	$ 249,000
Net change by previous amendments:	$ 0
Not-to-exceed amount prior to this amendment:	$ 249,000
Increase by this amendment:	$1,251,000
New not-to exceed amount including all amendments:	$1,500,000

2. Contractor warrants and represents that the person or persons executing this contract amendment on behalf of Contractor is duly authorized by Contractor to sign this amendment and bind Contractor to the terms hereof.

3. Except as specifically revised herein, all terms and conditions of the Contract shall remain in full force and effect, and Contractor shall perform as required under the Contract, as modified by this amendment.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURES

The parties have signed this Contract, effective as of the day and year first stated above.

CONTRACTOR

Under penalty of perjury, I certify that the information provided here is correct.

Signature: David Edwards

Title: Shop Foreman

Additional Signature (if required):

Title:

CITY OF SACRAMENTO

A Municipal Corporation

APPROVED AS TO FORM:

Signature: Paul Gale

Title: Sr. Dep City Atty

Reviewed By:

Signature:

Title:

Approved By:

Signature:

Title:

Additional Signature (if required):

Title: