



Legislation Text

File #: 21-508, Version: 1

STRATEGIC PRIORITY: Government Performance and Financial Management
AGENDA DATE: April 28, 2021
COUNCIL DISTRICT(S): All
DEPARTMENT: City Manager's Office
EXECUTIVE: Elizabeth Reich

SUBJECT

Authorize (1) a settlement and release agreement with Navistar, Inc. and Southwest International Trucks, Inc., to resolve all potential claims and causes of action by and between them arising out of the performance of a 2017 International Model "Bucket Truck"; (2) a vehicle exchange agreement with Southwest International Trucks, Inc., to allow for the return of the 2017 International Model "Bucket Truck" in exchange for a 2022 International Model "Bucket Truck;" and (3) execution of both the vehicle exchange and settlement and release agreement and all terms, conditions, and documents required by the agreements - Financing: No cost consideration to the City

BACKGROUND

In January 2016, the Department of Equipment and Building Services ordered a "Bucket Truck" for the Park & Recreation Department at a cost of \$249,121.21. Navistar, Inc. (Navistar) supplied the truck chassis and Southwest International Trucks, Inc. (SWI) provided the "bucket" body and assembled the "Bucket Truck." SWI served as the dealer in this transaction.

In December 2016, the "Bucket Truck" was delivered to the City and immediately thereafter was inoperable. The City provided SWI ample opportunities to remedy the mechanical problems over a prolonged and approximately four-year period. The City had minimal to no utilization of the "Bucket Truck" between attempts by SWI and Navistar to fix the mechanical issues.

In early 2020, the City expressed dissatisfaction with the lack of progress towards making the "Bucket Truck" operational and began negotiations with SWI and Navistar to provide a replacement at their expense. The City, SWI, and Navistar have agreed in principle to settle the City's potential claims related to the "Bucket Truck." Under these agreements, the City would release potential claims related to the "Bucket Truck" and the parties would exchange the inoperable 2017 Model in exchange for a new 2022 Model.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

This item has no prior action.

FISCAL INFORMATION

No cost consideration to the City.