

## AGENDA



Thursday, August 30, 2007

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 56

**Subject:** Authorize award and execution of a 36-month requirements supply contract with RDO EQUIPMENT CO., Pflugerville, TX for captive repair parts and repair services for John Deere heavy equipment in an estimated amount not to exceed \$480,000, with three 12-month extension options in an estimated amount not to exceed \$168,000 for the first extension option, \$176,400 for the second extension option, and \$185,220 for the third extension option, for a total estimated contract amount not to exceed \$1,009,620.

**Amount and Source of Funding:** Funding in the amount of \$13,333 is available in the Fiscal Year 2006–2007 Operating Budget of the Financial and Administrative Services Department, Fleet Management Fund. Funding for the remaining 35 months of the original contract period and extension options is contingent upon available funding in future budgets.

**Fiscal Note:** There is no unanticipated fiscal impact. A fiscal note is not required.

**For More Information:** Mary Quintero-Herrera, Buyer II/974-3266.

**Purchasing Language:** Sole bid received.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract establishes a reliable source for the annual supply of captive repair parts and repair services for John Deere heavy equipment used by several City departments to dig, load, and move soil, sand, or other types of loose bulk materials. Captive repair parts are parts supplied by the original manufacturer or by a dealer authorized by the original manufacturer to sell them. The majority of this heavy equipment consists of tractor/loader/backhoes manufactured by John Deere.

These parts will be purchased on an as needed basis for general routine and preventive maintenance repairs. The repair services acquired through this contract will be used to supplement the City's vehicle service operation and increase responsiveness to City Departments.

This contract is necessary to supply the automotive and equipment Fleet Service Centers with a reliable and continuous source of supply to purchase these parts.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0

**PRICE ANALYSIS**

a. Sole bid. The solicitation was extended to allow more time for other companies to submit responses. No other responses were received. RDO Equipment is the only local authorized dealer for John Deere, the original equipment manufacturer.

b. Sixteen notices were sent. There are no known MBEs/WBEs available for this commodity.

c. The pricing offered represents a 31% increase to the last contract award in March 2005. The increase is attributed to rise in the cost of steel and transportation.

#### APPROVAL JUSTIFICATION

- a. Sole bid received.
- b. The Purchasing Office concurs with Financial and Administrative Services Department, Fleet Services' recommended award.
- c. Advertised in the Austin American-Statesmen and on the Internet.