

AGENDA



Thursday, March 12, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**
Item No. 9

Subject: Authorize award and execution of a 36-month requirements supply contract with LONGHORN INTERNATIONAL TRUCKS, Austin, TX to provide captive repair parts for Caterpillar engines in an estimated amount not to exceed \$220,675, with three 12-month extension options in estimated amounts not to exceed \$81,034 for the first extension option, \$85,085 for the second extension option, and \$89,340 for the third extension option, for a total estimated contract amount not to exceed \$476,134.

Amount and Source of Funding: Funding in the amount of \$35,000 is available in the Fiscal Year 2008-2009 Operating Budget of the Financial and Administrative Services Department, Fleet Fund. Funding for the remaining 30 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: Sharon Patterson, Buyer II, 972-4014

Purchasing Language: Lowest bid of three bids 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 is for the purchase of captive repair parts for Caterpillar engines. The contractor will provide original manufactured repair parts on an as-needed basis for use in the daily operations of general repair and maintenance services performed by City mechanics at six Fleet Service Centers. The City currently has 24 units manufactured by Caterpillar in the Fleet inventory. This contract is necessary to support the Fleet Service Centers with a reliable and continuous source of supply to purchase these captive repair parts.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate Competition.
- b. Fifty-six notices were sent. There are no known MBE/WBEs available for these commodities. Three bids were received.
- c. The pricing offered reflects a 13% increase to the last contract award in June 2004. The increase is attributed to the rise in cost for steel and transportation.

APPROVAL JUSTIFICATION

- a. Lowest bid received.
- b. The Purchasing Office concurs with the Fleet Services Division's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.