

A G E N D A



Thursday, March 12, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**
Item No. 10

Subject: Authorize award and execution of a 36-month requirements service contract with LONGHORN INTERNATIONAL TRUCKS, Austin, TX to provide repair services for Navistar engines in an estimated amount not to exceed \$788,125, with three 12-month extension options in estimated amounts not to exceed \$289,406 for the first extension option, \$303,877 for the second extension option, and \$319,070 for the third extension option, for a total estimated contract amount not to exceed \$1,700,478.

Amount and Source of Funding: Funding in the amount of \$125,000 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: Sole bid received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C 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 will provide repair services for City-owned Navistar engines. The contractor will provide repair service, and as needed repair parts for Navistar engines. This repair services contract is intended to supplement the Navistar engine repairs performed by the City's mechanics in six automotive Fleet Service Centers.

The City currently has 432 units with Navistar engines in the Fleet inventory. This contract is necessary to support the automotive and equipment Fleet Service Centers with a reliable and continuous repair source.

MBE/WBE solicited: 0/0 MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Sole bid. This vendor has the protected distributorship for Navistar in the Austin area; therefore, only one bid was received.
- b. Fifty-five notices were sent. There are no known MBE/WBEs available for these services. One bid was received.
- c. The pricing offered reflects a 19% increase to the last contract award in July 2005. This increase is attributed to the rise in cost for steel and transportation.

APPROVAL JUSTIFICATION

- a. Sole 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.