

AGENDA



Thursday, March 12, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 11

Subject: Authorize award and execution of a 36-month requirements service contract with STERLING & WESTERN STAR OF AUSTIN, Austin, TX to provide repair services for Cummins 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: Lowest bid meeting specification of three bids 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 Cummins engines. The contractor will provide repair services, and as needed repair parts for Cummins engines. This repair services contract is intended to supplement the Cummins engine repairs performed by the City's mechanics in six automotive Fleet Service Centers.

The City currently has 142 units with Cummins 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. Adequate competition.
- b. Fifty-five notices were sent. There are no known MBE/WBEs available for these services. Three bids were received.
- c. The pricing offered reflects a 14% increase to the last contract award in June 2004. This increase is attributed to the rise in cost of 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.