

AGENDA



Thursday, July 29, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 67

Subject: Authorize award and execution of a 36-month requirements service contract with AUSTIN TRUCK AND EQUIPMENT, INC. LTD, dba FREIGHTLINER OF AUSTIN, Austin, TX for repair services and replacement parts for vehicles and equipment with Detroit Diesel and Mercedes engines in an estimated amount not to exceed \$910,000, with three 12-month extension options in estimated amounts not to exceed \$632,000 for the first extension option, \$758,000 for the second extension option, and \$910,000 for the third extension option, for a total estimated contract amount not to exceed \$3,210,000.

Amount and Source of Funding: Funding in the amount of \$41,667 is available in the Fiscal Year 2009-2010 Operating Budget of the Financial and Administrative Services Department, Fleet Fund. Funding for the remaining 34 months of the original contract period and extension options is contingent upon funding in future budgets.

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

For More Information: Wilbur Jones, Buyer I, 972-4013

Purchasing Language: Lowest bid meeting specifications of two 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 and replacement parts for City-owned vehicles and equipment equipped with Detroit Diesel and Mercedes engines, and is needed to supplement the repairs performed by the City's automotive technicians (primarily in ambulances and fire trucks).

During the original contract period, Fleet Services will purchase only repair services from Freightliner of Austin. Beginning in 2013, Fleet Services will also use the contract to purchase replacement parts for its own service centers when its existing parts supply contract expires.

This agreement is necessary to support the Fleet service centers with a reliable and continuous source of repair services and parts for these vehicles. MBE/WBE solicited: 3/3 MBE/WBE bid: 0/1

PRICE ANALYSIS

- a. Adequate competition.
- b. Ninety-two notices were sent, including three MBEs and three WBEs. Two bids were received, including one bid from a WBE.
- c. The pricing offered represents a 22% increase to the last contract award in September 2008. This increase can be attributed to wage/benefit increases, warehousing expenses, and an increase in the cost of replacement parts for heavy duty diesel engines.

APPROVAL JUSTIFICATIONS

- a. Lowest bid received. Austin Truck and Equipment, dba Freightliner of Austin, is not the current provider of these services.

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