

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	69010	Agenda Number	19.
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Meeting Date:	April 6, 2017
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Department:	Purchasing
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### Subject

Authorize negotiation and execution of a 36-month contract with TEXAN WASTE EQUIPMENT DBA HEIL OF TEXAS, to provide parts and repair services for refuse collection bodies, in an estimated amount of \$1,636,500 with two 12-month extension options in an estimated amount of \$545,500 per extension option, for a total contract amount not to exceed \$2,727,500.

### Amount and Source of Funding

Funding in the amount of \$272,750 is available in the Fiscal Year 2016-2017 Operating Budget of Fleet Services. Funding for the remaining 30 months of the original contract period and extension options is contingent upon available funding in future budgets.

### Fiscal Note

A fiscal note is not required.

Purchasing Language:	Sole Source
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Prior Council Action:	
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For More Information:	Erika Larsen, Buyer II, 512-974-3127
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Boards and Commission Action:	
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Related Items:	
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MBE / WBE:	This contract is exempt from the City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program; therefore, no subcontracting goals were established.
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### Additional Backup Information

The contract is for the supply of original equipment manufacturer (OEM) parts, repair services and a consignment inventory for the City owned Heil brand refuse collection bodies. The contractor will provide repair services to supplement the work performed by City technicians. The contractor is the only authorized OEM parts dealer and repair facility in Texas for Heil refuse collection bodies.

Heil of Texas has provided the City with an extended warranty on all new Heil refuse collection bodies. To minimize downtime for refuse vehicles, several City technicians have been certified by Heil to perform warranty repairs on Heil refuse collection bodies. To complete repairs, City technicians will have access to a consignment inventory that will be maintained at Service Center 11. On a weekly basis, Heil of Texas will conduct an inventory to confirm parts usage and replenishment requirements. The City will only be charged for parts used from the consignment inventory if the repairs are not covered by the extended warranty.

This contract will replace the current contract which expires April 24, 2017. The requested authorization amounts were determined using departmental estimates based on historical spend. A small growth in the annual authorization amounts were factored in to account for increased repairs needed with aging equipment and future acquisitions.

A contract is needed to ensure parts and repair services are available to minimize vehicle down time. If the City is unable to secure a contract, the service technicians will not have a reliable source for parts and repair services, and will be forced to procure these requirements on an as needed basis, which may result in higher prices and higher operational costs.

<b>TEXAN WASTE EQUIPMENT DBA HEIL OF TEXAS</b>				
	<b># months</b>	<b>Contract Amount</b>	<b>Contract Amendment</b>	<b>Revised Amount</b>
Original Term	36	\$ 1,636,500	n/a	n/a
Extension Option 1	12	\$ 545,500	n/a	n/a
Extension Option 2	12	\$ 545,500	n/a	n/a
<b>TOTAL</b>	<b>60</b>	<b>\$ 2,727,500</b>	<b>\$ -</b>	<b>\$ -</b>