

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting: March 22, 2018

Item Number: 031

Purchasing Office

Authorize award and execution of multi-term contracts with Leif Johnson Ford and Covert Ford Lincoln, to provide parts and repair services for Ford vehicles, for up to five years for total contract amounts not to exceed \$6,500,000, divided between the contractors. (Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods and services required for this solicitation, there were insufficient subcontracting opportunities; therefore, no subcontracting goals were established).

Lead Department	Purchasing Office.
Fiscal Note	Funding in the amount of \$889,583 is available in the Fiscal Year 2017-2018 Operating Budget of Fleet Services. Funding in the amount of \$43,750 funding is available in the Fiscal Year 2017-2018 Operating Budget of the Aviation. Funding for the remaining contract terms are contingent upon available funding in future budgets.
Purchasing Language	The Purchasing Office issued an Invitation for Bids (IFB) 7800 ELL0058 for these goods and services. The solicitation issued on November 6, 2017 and it closed on November 30, 2017. Of the four offers received, the recommended contractors submitted the lowest responsive offers. A complete solicitation package, including a tabulation of the bids received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: Solicitation Documents <https://www.austintexas.gov/financeonline/vendor_connection/solicitation/solicitation_details.cfm?sid=120888> .
For More Information	Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov < mailto:AgendaOffice@austintexas.gov >

	NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Erika Larsen, at 512-974-3127 or Erika.Larsen@austintexas.gov <mailto:Erika.Larsen@austintexas.gov>.
Client Department(s)	Fleet Services and Aviation.

Additional Backup Information:

These contracts are for the supply of original equipment manufacturer parts (OEM) and repair services for City owned Ford vehicles on an as needed basis. The City currently has approximately 2,500 Ford vehicles in the fleet inventory. The contractors will provide repair services to supplement the work performed by the City technicians at the Aviation and Fleet service centers to increase responsiveness to City departments. Parts will be purchased for maintenance and repairs handled in-house.

These contracts will consolidate and replace five contracts which will begin expiring as early as October 2018. Two of the current contract's usage has surpassed the forecasted spend, which has led to an early depletion of the contract's authorization. The requested authorization amount was determined using departmental estimates based on historical spend and will allow for a small annual growth for parts and repair services requirements associated with aging vehicles and future vehicle acquisitions. This increase will also permit Fleet to buy more OEM parts to prolong the life of existing units.

If the City is unable to secure a contract, departments will not have a reliable source for parts and repair services. This will force the City to procure parts and services on an as needed basis, which could result in higher prices for parts, higher operational costs and increased vehicle down time.

Contract Detail:

Contract Term	Length of Term	Contract Authorization
Initial Term	2 yrs.	\$2,600,000
Optional Extension 1	1 yr.	\$1,300,000
Optional Extension 2	1 yr.	\$1,300,000
Optional Extension 3	1 yr.	\$1,300,000
TOTAL	5 yrs.	\$6,500,000

Note: Contract Authorization amounts are based on the City's estimated annual usage.