



**Purchasing Contract
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 21
AGENDA DATE: Thu 04/01/2004
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SUBJECT: Authorize execution of Amendment No. 4 to increase the contract with TEXTRON FINANCIAL CORPORATION, Providence, RI, for the lease of golf course maintenance equipment in an amount not to exceed \$343,248.59, for a revised total contract amount not to exceed \$1,486,942.91.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$343,248.59 is available in the Fiscal Year 2003-2004 Operating Budget of the Parks and Recreation Department's Golf Enterprise Fund

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Purchasing **DIRECTOR'S**
DEPARTMENT:for Parks and Recreation; **AUTHORIZATION:** Vickie Schubert

FOR MORE INFORMATION CONTACT: Lydia Torres, Buyer II/530-7615

PRIOR COUNCIL ACTION: October 8, 1998, approved 36-month contract with two 36-month extension options.

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: This contract was awarded in compliance with Chapter 2-9 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 amendment is to increase the authorization for the lease of golf course maintenance equipment for five golf courses located throughout the City and maintained by the Parks and Recreation Department. The lease is for approximately 24 different types of equipment used to perform all of the mowing, aerification, topdressing, spraying, and fertilizing required at the golf courses. The lease is for an initial 36-month contract period with two 36-month options. At the end of each 36-month period, the equipment was to be replaced with new equipment and the lease price adjusted based on the value of the new equipment, the U.S. Treasury 3-year note, and the Consumer Price Index.

Prior to leasing the equipment, the City owned a fleet of maintenance equipment that varied in age from one to eleven years. This equipment was traded-in and the trade-in value of the equipment (\$269,650) was used to reduce the lease cost for the original 36-month contract period. This trade-in value only applied to the initial contract period but was inadvertently used to calculate the lease cost for the renewal periods. As a result, there was insufficient authorization for the first renewal period and the extension option. The additional \$73,589.59 includes the continued lease of equipment added in Amendment No. 1 and additional increases in the manufacturer's suggested retail price of the equipment since the original term of the lease.

This amendment will provide authorization through the current renewal period. Since the contract allows



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the City the option to continue leasing or to purchase the equipment, the City is exploring the option to purchase the equipment at the end of the first renewal period.

	<u>Action/Description</u>	<u>Amount</u>
Original Contract	Lease of equipment 10/98	\$494,230.32
Amendment No.1	Added equipment Administrative increase 7/99	\$28,814.64
Amendment No. 2	Exercise first option subject to Council approval for additional authorization; administratively increased contract by \$42,999.99 and corrected original contract amount 8/02	\$620,649.36
Amendment No. 3	Corrected contractor's name and tax ID number 9/03	\$0.00