



**Purchasing Service Agreement
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 14
AGENDA DATE: Thu 05/13/2004
PAGE: 1 of 3**

SUBJECT: Rescind approval for execution of a service agreement with Denver's Towing; and approve execution of a 12-month service agreement with SOUTHSIDE WRECKER, INC., Austin, TX, for towing services in an amount not to exceed \$250,000, with four 12-month extension options in amount not to exceed \$250,000 per extension option, for a total agreement amount not to exceed \$1,250,000.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$83,333 is available in the Fiscal Year 2003-2004 Approved Operating Budget of the Financial and Administrative Services Department, Fleet Fund. Funding for the remaining eight 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.

REQUESTING Purchasing	DIRECTOR'S
DEPARTMENT: for Financial and	AUTHORIZATION: <u>Vickie Schubert</u>
Administrative Services -	
Fleet Services;	

FOR MORE INFORMATION CONTACT: Rick Fudge, Supervising Sr. Buyer/974-2033

PRIOR COUNCIL ACTION: March 25, 2004, Approved award to Denver's Towing.

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Lowest bid meeting specifications.

MBE / WBE: This contract will be 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. ☐ ☐ ☐ ☐

On March 25, 2004, City Council approved a 12-month service agreement with Denver's Towing for towing services of disabled City vehicles and equipment of all sizes and types on an as needed basis for the Fleet Services Division. Written notification of Council approval was sent to Denver's Towing on March 26, 2004. The terms of the solicitation stated that the recommended awardee is allowed 14 calendar days, after written notification, to document and demonstrate it is in compliance with all equipment and insurance requirements of the bid. Denver's Towing was unable to acquire all of the required equipment within the 14 calendar days. Pursuant to the solicitation, the City continued the evaluation of the bids submitted and contacted Interstate Chaparral Towing, Inc., the second low bidder, to see if it had all of the required equipment and insurance, including worker's compensation. Interstate Chaparral stated that the cost of worker's compensation insurance was cost-prohibitive based on the prices offered in its bid submittal and refused to purchase worker's compensation. The City then contacted Southside Wrecker, Inc., the third low bidder.

Southside Wrecker recently documented it purchased worker's compensation insurance. The City received a letter from Southside Wrecker on April 30, 2004, stating that it does intend to perform this contract with the City and is willing to immediately purchase the two required trucks that are not in Southside's current fleet within the required 14-calendar days after written notification of award.



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The vendor is required to provide towing services seven days per week and 24-hours per day with an estimated 60 tows per week. When a City vehicle is disabled, Fleet Services will contact the vendor and provide the vehicle type and location. The vendor will locate the disabled vehicle within 45 minutes of being called, and once on the scene, first attempt to change the flat tire with the spare tire and release the vehicle back into service. If there is no usable spare tire on the vehicle, or the vehicle is disabled for any other reason, the second option for the vendor is to proceed to tow or haul the vehicle to the requested Fleet Service Center. The contract is necessary to support the Fleet Service Centers with a reliable and continuous source for towing services.

MBE/WBE sent: 0/0

MBE/WBE bid: 0/0

BID TABULATION

**Towing and Related Services – RF04300003
Estimated Expenditures - \$250,000/year
(Six Bid Groups)**

<u>Vendor</u>	<u>Total Group 1</u>	<u>Total Group 2</u>	<u>Total Group 3</u>	<u>Total Group 4</u>	<u>Total Group 5</u>	<u>Total Group 6</u>
Southside Wrecker, Inc., Austin, Texas	\$57,975	\$10,540	\$46,550	\$11,375	\$68,250	\$15,375
Aus-Tex Body & Frame, Inc. Austin, Texas	\$72,000	\$16,725	\$35,250	\$10,240	\$70,350	\$19,995
Kokel's Custom Towing, Austin, Texas	\$52,075	\$8,215	\$58,375	\$12,225	\$91,500	\$17,000
Denver's Towing * Austin, Texas	\$37,775	\$5,740	\$25,400	\$5,420	\$42,075	\$8,525
Interstate * Chaparral Towing, Austin, Texas	\$44,125	\$6,120	\$30,550	\$6,875	\$59,650	\$12,200

Award is based on the lowest total price for each of the six bid categories that were used for evaluation purposes and to establish unit prices for all towing services. The contract amount is estimated at \$250,000 based on the City's expenditures for the past three years. A complete bid tabulation is available in the Purchasing Office.



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- * Denver's Towing was unable to acquire all of the equipment required by the solicitation. Interstate Chaparral Towing stated that their bid prices did not include the cost to purchase worker's compensation insurance as required by the solicitation.

PRICE ANALYSIS

- a. Adequate competition.
- b. Twelve bids were issued. There are no MBE/WBEs available for these services. Five bids were received.
- c. Unit prices have increased by approximately 34% since August 2000. The price increase can be attributed to the rising cost of insurance, increased cost of diesel fuel, and the cost to purchase new wrecker equipment.

APPROVAL JUSTIFICATION

- a. Low bidder meeting specifications.
- b. Fleet Services Division of the Financial and Administrative Services Department concurs with recommended award.
- c. Advertised in the Austin American-Statesman and the Internet.