



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

**AGENDA ITEM NO.: 58
AGENDA DATE: Thu 12/16/2004
PAGE: 1 of 2**

SUBJECT: Authorize execution of a 12-month supply agreement with EQUIPMENT SOUTHWEST, INC., Irving, TX, for the purchase of captive repair parts for Perkins can tippers in an amount not to exceed \$60,000, with two 12-month extension options in an amount not to exceed \$60,000 per extension option, for a total agreement amount not to exceed \$180,000.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$50,000 is available in the Fiscal Year 2004-2005 Approved Operating Budget of the Financial and Administrative Services Department, Fleet Fund. Funding for the remaining two 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: Sydney Ceder, Buyer II/974-2035

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Lowest bid of two bids received.

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.

This supply agreement is for captive service and repair parts for Perkins can tippers. The tippers are lifting systems attached to City garbage/refuse trucks. Most of the garbage trucks have two can tippers installed per vehicle. These systems are designed to pick up residential garbage cans and tip them over to dump trash in the refuse trucks used by the Solid Waste Services Department. The City's fleet currently has approximately 50 garbage trucks.

The Perkins tipper parts are supplied by the original equipment manufacturer (OEM) and it's authorized dealers. These parts will be purchased on an as needed basis for general routine and preventative maintenance repairs. This contract is necessary to support the automotive and equipment fleet service centers with a reliable and continuous source of supply to purchase these parts.



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**BID TABULATION – SC04100082
CAPTIVE REPAIR PARTS FOR PERKINS CAN TIPPERS
(Estimated Annual Expenditure \$60,000)**

<u>Vendor</u>	<u>% Added to/Discounted from the Manufacturer's Published Price List</u>	<u>Total Price of a Sample of 10 Most Commonly Used Perkins Parts</u>
Equipment Southwest, Inc. Irving, Texas	5% Discount	\$1,330.92
Waste Systems Equipment, Inc. Houston, Texas	10% Added	\$1,543.27

The recommendation for award was based on the lowest total price offered on a sample of commonly used repair parts.

NOTE: The percentage above will be applied to the dealer prices as published in the manufacturer's price list for the parts purchased under this contract.

PRICE ANALYSIS

- Adequate competition.
- Sixteen notices were mailed. There are no known MBE/WBEs for this commodity. Two bids were issued and two bids were received.
- The City will purchase these parts at 5% off the manufacturer's list price. Equipment Southwest, Inc. is offering to supply the City these parts at an average price of \$133.10, in comparison to the 2001 price of \$118.11. This represents an approximate increase of 13%. This increase in price is due largely to the rising costs of steel which is used to manufacture these parts.

APPROVAL JUSTIFICATION

- Low bidder.
- Fleet Services Division of the Finance and Administrative Services Department concurs with the recommended award.
- Advertised in the Austin American-Statesman and the Internet.