



Recommendation for Action

File #: 19-2474, **Agenda Item #:** 60.

8/8/2019

Posting Language

Authorize award of a multi-term contract to provide police pursuit tires, with Kando Partners D/B/A Klingemann Car Care #1, a local bidder that offers the City the best combination of contract price and additional economic development opportunities, including employment of residents and increased tax revenues, for up to five years for a total contract amount not to exceed \$1,838,000.

(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 required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

Lead Department

Purchasing Office.

Client Department(s)

Fleet Services.

Fiscal Note

Funding in the amount of \$57,668 is available in the Fiscal Year 2018-2019 Operating Budget of Fleet Services. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

The Purchasing Office issued an Invitation for Bids (IFB) 7800 JRH1014 for these goods. The solicitation issued on March 4, 2019 and it closed on March 26, 2019. Of the four offers received, the recommended contractor submitted the lowest responsive offer considering local presence. 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/account_services/solicitation/solicitation_details.cfm?sid=129739)
<https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=129739>.

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: John Hilbun, at 512-974-1054 or john.hilbun@austintexas.gov <<mailto:john.hilbun@austintexas.gov>>.

Additional Backup Information:

The contract is for the supply of police pursuit tires of various types and sizes necessary to maintain the vehicles for Austin's Police Department (APD). The contract is necessary to support the automotive service centers of the Fleet Services Department with a reliable and continuous source for these products. The City has a separate contract in place for the recycling and disposal of scrap tires. The requested authorization

amount for this contract was determined using departmental estimates based on historical spend and will allow for a small annual growth for pursuit tires associated with future police vehicle acquisitions.

This recommendation is in accordance with Local Government Code 271.905 and Resolution 20140807-113 to invoke local preference. This local bidder offers the best combination of contract price and additional economic development opportunities for the City created by the contract award, including the employment of residents of the City and increased tax revenues to the City.

This contract is necessary to supply Fleet Services with a reliable supply of pursuit rated vehicle tires which will minimize downtime for APD vehicles. If the City is unable to secure a contract, the department will be forced to procure these tires on an as-needed basis which may result in higher prices on the open market and increased vehicle down time.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Contract Authorization</u>
Initial Term	2 yr.	\$ 702,793
Optional Extension 1	1 yr.	\$ 367,280
Optional Extension 2	1 yr.	\$ 378,292
Optional Extension 3	1 yr.	\$ 389,635
TOTAL	5 yrs.	\$1,838,000

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