



Recommendation for Action

File #: 19-2249, **Agenda Item #:** 57.

6/19/2019

Posting Language

Authorize award of a multi-term contract with RDO Equipment Co., to provide original equipment manufacturer parts and repair services for John Deere equipment and associated parts, for up to five years for a total contract amount not to exceed \$2,532,514.

(Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods and services 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 \$152,773 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 JRH1009REBID for these goods and services. The solicitation issued on February 25, 2019 and it closed on March 19, 2019. Of the three offers received, the recommended contractor submitted the only responsive offer. 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 parts and repair services for City-owned John Deere equipment. The City currently has approximately 285 John Deere units. The contractor will provide repair services with associated parts to supplement the work performed by City technicians, and parts will also be purchased for maintenance and

repairs conducted in-house.

The contract will replace the current contract, which expires June 25, 2019. The requested authorization amount is based on historical spend and allows for a small annual growth for parts and repair services associated with the aging equipment. The recommended contractor is the current provider for these parts and services.

If the City is unable to secure a contract, Fleet Services will not have a reliable source for parts and repair services, forcing the City to procure these requirements on the open market which may lead to increased operational costs and extended equipment down time.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Contract Authorization</u>
Initial Term	3 yrs.	\$1,519,508
Optional Extension 1	1 yr.	\$ 506,503
Optional Extension 2	1 yr.	\$ 506,503
TOTAL	5 yrs.	\$2,532,514

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