



Recommendation for Action

File #: 20-1252, **Agenda Item #:** 33.

2/20/2020

Posting Language

Authorize negotiation and execution of a multi-term contract with Texan Waste Equipment, Inc. D/B/A Heil of Texas, to provide parts and repair services for refuse collection truck bodies, for up to five years for a total contract amount not to exceed \$4,420,625.

(Note: Sole source contracts are exempt from the City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program; therefore, no subcontracting goals were established).

Lead Department

Purchasing Office.

Client Department(s)

Fleet Mobility Services.

Fiscal Note

Funding in the amount of \$532,452 is available in the Fiscal Year 2019-2020 Operating Budget of Fleet Mobility Services. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Sole Source.

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>> or to 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 parts and repair services for City-owned Heil refuse collection truck bodies. The City currently has approximately 150 refuse collection trucks with Heil components. These trucks are operated by Austin Resource Recovery (ARR) for the collection of trash and recyclables. The contractor will provide repair services to supplement the work performed by City technicians and parts will be purchased for maintenance and repairs handled in-house.

The recommended contractor is the only distributor authorized by the manufacturer to provide parts and service in the State of Texas. This contract will replace the current contract which expires July 9, 2020. Due to unforeseen repairs required for these units, there is insufficient funding under the current contract to last until the end of the term. In addition, ARR has taken delivery of 27 additional Heil refuse collection trucks during the summer and fall of 2019, with eight of these units being non-replacement additions to the fleet. The warranty period for Heil refuse collection truck bodies is one year. The requested authorization amount is based on historical spend and allows for a small annual growth for parts and repair services associated with aging vehicles and new and future acquisitions.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Contract Authorization</u>
Initial Term	3 yrs.	\$2,652,375
Optional Extension 1	1 yr.	\$ 884,125
Optional Extension 2	1 yr.	\$ 884,125
TOTAL	5 yrs.	\$4,420,625

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