



## Recommendation for Action

**File #:** 23-2745, **Agenda Item #:** 31.

9/21/2023

### **Posting Language**

Authorize an amendment to a contract for continued rental of vehicles and heavy-duty, commercial, industrial, and construction equipment with HERC Rentals Inc., to increase the amount by \$3,970,000 and to extend the term by two years, for a revised total contract amount not to exceed \$6,792,000.

[Note: This contract was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this contract, there were no subcontracting opportunities; therefore, no subcontracting goals were established].

### **Lead Department**

Financial Services Department.

### **Client Department(s)**

Fleet Mobility Services.

### **Fiscal Note**

Funding in the amount of \$166,000 is available in the Fiscal Year 2022-2023 Operating Budget of Fleet Mobility Services. Funding for the remaining contract term is contingent upon available funding in future budgets.

### **Purchasing Language:**

Contract Amendment.

### **Prior Council Action:**

March 28, 2019 - Council approved the original contract, item 27, on an 11-0 vote.

July 29, 2020 - Council approved an amendment, item 65, on a 10-0 vote with Mayor Adler off the dais.

April 7, 2022 - Council approved an amendment, item 24, on a 10-0 vote, with Council Member Harper-Madison absent.

### **For More Information:**

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: [FSDCentralProcurementRCAs@austintexas.gov](mailto:FSDCentralProcurementRCAs@austintexas.gov) or [512-974-2500](mailto:FSDCentralProcurementRCAs@austintexas.gov).

### **Additional Backup Information:**

The contract is for the rental of heavy-duty equipment and vehicles for use by all City departments. Fleet Mobility Services coordinates with all City departments to obtain rental equipment and vehicles under this contract, which includes commercial, industrial, construction equipment, vehicles, dump trucks, backhoes, boom trucks, rollers, cranes, generators, and other heavy-duty equipment that is specialized and may not be available within the department or from the City's own rental pool.

This contract, based on the U.S. Communities Government Purchasing Alliance cooperative contract, is a cooperative purchasing association recognized under Texas procurement statutes. Cooperative associations, themselves or using a lead government, competitively solicit and award contracts that are eligible for use by other qualified state and local governments. Due to their substantial volumes, larger than any one government could achieve independently, cooperative contracts routinely include superior terms, conditions, and pricing. Use of cooperative contracts also results in lower administrative costs and time savings.

The proposed amendment is needed for additional funds and to extend the term of the contract to match the cooperative contract expiration date of October 31, 2025. The additional requested authorization amount for this contract was determined using departmental estimates based on historical spend and considers increased rental demands.

This contract is necessary to provide City departments with a reliable and continuous source for renting heavy-duty equipment and vehicles for daily use, high demand situation, and special projects.

**Contract Detail:**

<b>Contract Term</b>	<b>Length of Term</b>	<b>Current Contract Authorization</b>	<b>Requested Additional Authorization</b>	<b>Revised Total Authorization</b>
Initial Term	56 mos.		\$1,000,000	\$1,000,000
Contract Amendment		\$ 61,000		\$ 61,000
Contract Amendment		\$ 789,000		\$ 789,000
Contract Amendment		\$ 900,000		\$ 900,000
Contract Amendment		\$ 72,000		\$ 72,000
Proposed Amendment	24 mos.		\$3,970,000	\$3,970,000
<b>TOTAL</b>	<b>80 mos.</b>	<b>\$2,822,000</b>	<b>\$3,970,000</b>	<b>\$6,792,000</b>

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