



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date: 7/6/2018

S26567 - Caterpillar Engine Replacement Parts and Repair Services - MOTION

Agenda Item#:

Background:

Formal Bids Received on April 26, 2018 for S40-S26567 - Approve various awards, as shown below, in the amount not to exceed \$3,808,398.39 for Caterpillar engine replacement parts and repair services for the Fleet Management Department.

Specific Explanation:

The Director of the Fleet Management Department and the Chief Procurement Officer recommend that City Council approve various awards, as shown below, in the amount not to exceed \$3,808,398.39 for Caterpillar engine replacement parts and repair services for the Fleet Management Department (FMD). It is further requested that authorization be given to make purchases, as needed, for a thirty-six month term with two (2) one (1) year options. This award consists of price lists for various Caterpillar engine replacement parts; which includes but are not limited to, belt tensioners, fuel check valves, transfer pumps, water pumps, exhaust gas recirculation coolers, starting motors, solenoids, oxygen sensors, wiring harnesses, fuel injectors, fuel pumps, reconditioned engines, and engine blocks. These materials will be used by the FMD to repair and maintain equipment with Caterpillar engines citywide. This award also includes a \$336,118.75 labor component for the repair of equipment that cannot be performed by City maintenance personnel.

These are price list and line item awards. Relative to the price list, the best discount which determines the low bid for a price list is the best bid received for quantities of high-use items selected as sample pricing items based on the current needs of the department. The bid total for sample pricing items does not represent the total amount estimated to be purchased; rather, this recommendation is for the total estimated expenditures projected over the awarded term based on the low bid submitted for the representative samples.

This project was advertised in accordance with the State of Texas Bid Laws. Five prospective bidders downloaded the solicitation document from SPD's e-bidding website and three bids were received.

Rush Truck Centers of Texas, LP: Award on its low complete bid for Groups 1 - 2 (Caterpillar parts price list, which includes but is not limited to, fuel injectors, fuel pumps, wiring harnesses, water pumps, engine block compressors, and cores) and Groups 3 - 5 (labor component and wrecker services) in the amount not to exceed \$2,645,498.39.

<u>Company</u>	<u>Sample Pricing and Line Item Totals</u>
1. Houston Freightliner, Inc.	\$221,476.74 (Partial Bid/Higher Unit Cost)
2. Rush Truck Centers of Texas, LP	\$264,499.22
3. Mustang Machinery Company LTD dba Mustang Cat	\$478,336.13

Mustang Machinery Company, LTD dba Mustang Cat: Award on its sole bid for Groups 6 - 7 (Caterpillar parts price list, which includes but is not limited to, fuel injectors, fuel pumps, cutting edge, spring pins, engine block compressors, and cores) and Groups 8 - 10 (labor component and wrecker services) in the amount not to exceed \$1,162,900.00.

A sole bid was received for Caterpillar construction equipment parts and repair services as Mustang Machinery Company LTD dba Mustang Cat is the sole authorized construction Caterpillar equipment dealer for the Houston Region.

M/WBE: Zero-percentage goal document approved by the Office of Business Opportunity.

Hire Houston First: The proposed award requires compliance with the City's 'Hire Houston First' (HHF) ordinance that promotes economic opportunity for Houston businesses and supports job creation. In this case, the proposed suppliers do not meet the requirements for HHF designation; no Hire Houston First firms were within three percent.

Fiscal Note: Funding for this item is included in the FY19 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

Jerry Adams, Chief Procurement Officer
Finance/Strategic Procurement Division

Department Approval Authority Signature

ESTIMATED SPENDING AUTHORITY

Department	FY19	Out Years	Total
Fleet Management	\$698,206.41	\$3,110,191.98	\$3,808,398.39

Amount of Funding:

\$3,808,398.39 - Fleet Management Fund (1005)

Contact Information:

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ATTACHMENTS:

Description

OBO DOCS

DELINQUENT TAX - RUSH

FAIR CAMPAIGN - RUSH

BID TAB

FORM B

FAIR CAMPAIGN - MUSTANG

FISCAL FORM A

Type

Backup Material

Backup Material

Backup Material

Backup Material

Backup Material

Backup Material

Financial Information