

Mayor and Council Communication

DATE: 02/18/20

M&C FILE NUMBER: M&C 20-0078

LOG NAME: 13PSS 5204 HOLT CAT REPAIRS AND SVS

SUBJECT

Authorize Sole Source Purchase Agreement with Holt Texas, Ltd. d/b/a Holt Cat for Original Equipment Manufacturer Caterpillar Heavy Equipment Parts and Repairs in an Amount Up to \$500,000.00 Per Year for the Property Management Department (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council authorize a sole source purchase agreement with Holt Texas, Ltd. d/b/a Holt Cat for original equipment manufacturer Caterpillar heavy equipment parts and repairs in an amount up to \$500,000.00 per year with four one-year renewal options for the Property Management Department.

DISCUSSION:

The Property Management Department (PMD) approached the Purchasing Division for assistance in obtaining replacement parts and services to maintain City owned Caterpillar equipment. Holt Texas, Ltd. d/b/a Holt Cat is the authorized service facility for Caterpillar maintenance, service repairs and original equipment manufacturer (OEM) replacement parts. The City of Fort Worth has approximately 137 active units which includes off-road equipment such as tractors, backhoes, skid steer loaders, tracked excavators as well as tub grinder/mulcher, and fire apparatus that range in age of from 1975 to 2018. Caterpillar offers OEM parts needed to have equipment to work to its full potential and road calls for hours of operation and afterhours.

Staff reviewed the prices and determined them to be fair and reasonable. No guarantee was made that a specific amount of goods and services would be purchased. The City anticipates spending approximately \$271,000.00 during the first Agreement period. However, the annual amount of \$500,000.00 provides an adequate amount of funds for repairs and service needed for city equipment. Warranty is only a percentage of services provided software, diagnose equipment and Caterpillar knowledge not available to the public.

M/WBE OFFICE - A waiver of the goal for MBE/SBE subcontracting requirements was requested by the Purchasing Division and approved by the M/WBE Office, in accordance with the M/WBE or BDE Ordinance, because the M/WBE Waiver is based on the sole source information provided to the M/WBE Office by the Purchasing Division Buyer.

This procurement is exempted from the competitive bidding requirements as provided for under Section 252.022(7) of the Texas Local Government Code because, Holt Texas Ltd. d/b/a Holt Cat is the documented sole source original equipment manufacturer Caterpillar heavy equipment parts, repairs and maintenance services for Holt Cat Equipment.

ADMINISTRATIVE CHANGE ORDER - An administrative change order or increase may be made by the City Manager in the amount up to \$50,000.00 and does not require specific City Council approval as long as sufficient funds have been appropriated.

Upon City Council approval, the Agreement shall begin upon execution of the Agreement and expire one year from that date.

RENEWAL OPTIONS - This Agreement may be renewed for four additional one-year renewal periods. This action does not require specific City Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal term.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation and award of the contract, funds are available in the current operating budget, as appropriated, in the General Fund. Prior to any expenditure being incurred, the Property Management Department has the responsibility to validate the availability of funds.

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