

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 11/12/24 M&C FILE NUMBER: M&C 24-0955

LOG NAME: 21021-SOLE SOURCE- HOLT TEXAS, LTD.

SUBJECT

(ALL) Authorize Execution of a Sole Source Agreement with Holt Texas, LTD. to Purchase Original Equipment Manufacturer Caterpillar Parts for the Property Management Department in an Annual Amount Up to \$1,080,000.00 and Authorize Four One-Year Renewal Options for the Same Amount

RECOMMENDATION:

It is recommended that the City Council authorize execution of a Sole Source Agreement with Holt Texas, LTD. to purchase Original Equipment Manufacturer Caterpillar parts for the Property Management Department in an annual amount up to \$1,080,000.00 and authorize four one-year renewal options for the same amount.

DISCUSSION:

The Property Management Department is seeking authority to enter into an agreement with Holt Texas, LTD. to obtain Original Equipment Manufacturer (OEM) Caterpillar parts from the authorized service facility to repair and maintain approximately 127 Caterpillar heavy equipment units in the City's fleet, of which 32 are under warranty. These parts will ensure the equipment is operational and the 32 units maintain the manufacturer warranty. Holt Texas LTD D/B/A Holt Cat is an authorized sole source distributor for Caterpillar, Inc's heavy equipment, parts and engines for the state of Texas, including Fort Worth, Texas. Holt is the OEM of Caterpillar heavy equipment. No other vendor has the diagnostic software to handle the repairs except Caterpillar. Non-OEM parts would directly influence the performance and reliability of the equipment operation. The City Attorney's Office approved a Chapter 252 exemption request related to this purchase.

DVIN-BE: This project was approved for a waiver per the Chapter 252 exemption, as a sole source by the Legal Department. Therefore, the business equity goal requirement is not applicable.

ADMINISTRATIVE CHANGE ORDER: An administrative change order or increase may be made by the City Manager up to the amount allowed by relevant law and Fort Worth City Code and does not require specific City Council approval as long as sufficient funds have been appropriated.

AGREEMENT TERMS: Upon City Council approval, this agreement shall begin upon execution and expire one year later.

RENEWAL OPTIONS: The agreement may be renewed for four (4) additional one-year 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.

The maximum amount allowed under this agreement will be \$1,080,000.00 annually. However, the actual amount used will be based on the needs of the department and the available budget. Funding is budgeted in the Fleet Service Outside Repair & Maintenance account in the Fleet & Equipment Services Fund for the Property Management Department.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the current operating budget, as previously appropriated, in the Fleet and Equipment Serv Fund to support the approval of the above recommendation and execution of the agreement. Prior to any expenditure being incurred, the Property Management Department has the responsibility to validate the availability of funds.

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