



Cover Memorandum/Staff Report

File #: 19-457

Agenda Date: 5/7/2019

Item #: 6.O.1.

TO: Mayor and Commissioners
FROM: Missie Barletto, Assistant Public Works Director
THROUGH: Neal de Jesus, Interim City Manager
DATE: May 7, 2019

APPROVAL OF RESOLUTION NO. 78-19 TO AWARD A SOLE SOURCE AGREEMENT WITH TREKKER TRACTOR, LLC FOR SCHWARZE PARTS AND SERVICE - \$30,000

Recommended Action:

Motion to approve Resolution No. 78-19 to award a sole source agreement with Trekker Tractor, LLC for Schwarze parts and service in an estimated cost of \$30,000 and authorize the City Manager to approve renewal options, in the same amounts, contingent upon appropriation of funds.

Background:

The City of Delray Beach (City) Public Works Department operates two street sweepers manufactured by Schwarze Industries, Inc. (Schwarze). Trekker Tractor, LLC (Trekker) is the only factory-authorized dealer for original equipment manufacturer (OEM) parts and service for Schwarze specialty vehicles, as of February 1, 2019. Prior to February 1, 2019, the City's factory-authorized dealer for Vac-Con and Schwarze OEM parts and service was Southern Sewer Equipment and Sales (SSES). On March 20, 2019, the City approved Trekker as a sole source for Schwarze OEM parts and service.

The agreement term will commence upon approval by City Commission and expire March 19, 2020. The agreement may be renewed for up to four additional years, subject to Trekker remaining a sole source factory-authorized dealer for Schwarze OEM parts and service.

Staff forecasts that approximately \$30,000 will be spent annually on preventive maintenance, repair parts, and related services. Parts delivery and services will be performed by Trekker per negotiated quotes on an as-needed basis. Should the City exercise all renewal options provided in the agreement, the cumulative agreement value is provided below.

Estimated Contract Value		
Initial Term	May 7, 2019 - March 19, 2020	\$30,000
Renewal Term 1:	March 20, 2020 - March 19, 2021	\$30,000
Renewal Term 2:	March 20, 2021 - March 19, 2022	\$30,000
Renewal Term 3:	March 20, 2022 - March 19, 2023	\$30,000
Renewal Term 4:	March 20, 2023 - March 19, 2024	\$30,000
\$150,000		

Because both Vac-Con and Schwarze OEM parts and service were previously performed by the same authorized dealer, it's difficult to determine specific expenditures relating to only Schwarze OEM parts and service. Therefore, staff is anticipating amounts based upon approximate fiscal year expenditures with SSES, as well as individual work orders. The expenditures with SSES by fiscal year are shown below.

Fiscal year 2016 - \$25,685

Fiscal year 2017 - \$57,005

Fiscal year 2018 - \$15,255

This motion is in accordance with City Code of Ordinances Section 36.02, Commission Approval Required and Purchasing Policies; Limited or No Competition Acquisitions.

Attachments:

1. Agreement
2. Resolution
3. Legal Review Checklist
4. Approved Sole source Memo

City Attorney Review:

Approved as to form and legal sufficiency.

Finance Department Review:

Funding Source:

Funding is available from 501-43-000-549.52-51 - Operating Supplies C.G. - Outside Service and 501-43-000-549.52-52 - Operating Supplies External Parts.