



Board Agenda Item 28

DATE: September 5, 2023

TO: Board of Supervisors

SUBMITTED BY: Robert W. Bash, Director, Internal Services/Chief Information Officer

SUBJECT: Agreement with Quinn Company

RECOMMENDED ACTION(S):

- 1. Make a finding that it is in the best interest of the County to suspend the competitive bidding process consistent with Administrative Policy No. 34 for unusual or extraordinary circumstances, as Quinn Company is the only authorized Caterpillar dealer allowed to work in the County's service area; and**
- 2. Approve and authorize the Chairman to amend, restate, replace, and supersede the existing Purchasing Agreement with Quinn Company, retroactive to that agreement's effective date of August 15, 2020, for the provision of Caterpillar original equipment manufacturer parts and repairs, not to exceed five consecutive years, which includes a two-year base contract and three optional one-year extensions, and increasing the maximum by \$295,000, total not to exceed \$920,000.**

There is no additional Net County Cost associated with approval of the recommended actions, which will allow Quinn Company (Quinn) to continue providing replacement Caterpillar Inc. (Caterpillar) original equipment manufacturer (OEM) parts and repair services to the Internal Services Department - Fleet Services Division (ISD-Fleet) on an as-needed basis. The increased funding in the recommended agreement will address the higher than anticipated need for Caterpillar equipment repairs. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended actions, ISD-Fleet will not have an efficient method to acquire replacement parts for Caterpillar equipment or receive repairs.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

The Department's request to suspend the competitive bidding process is consistent with Administrative Policy No. 34, as Quinn is the only local authorized dealer of Caterpillar parts and repairs services necessary to sustain the functionality of existing County Caterpillar equipment. ISD - Purchasing Division concurs with the Department's request to suspend the competitive bidding process.

RETROACTIVE AGREEMENT:

The recommended agreement is retroactive to August 15, 2020, because it replaces and supersedes Procurement Agreement No. P-20-278-P (Procurement Agreement) and is necessary to allow ISD-Fleet to continue acquiring parts and repairs for Caterpillar equipment. The delay in bringing this item to your Board to an earlier date was due to contract negotiations taking longer than anticipated.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The recommended agreement will increase the total compensation payable by \$295,000, from \$625,000 to \$920,000 total, for the potential five-year term. Costs associated with the recommended agreement are recovered through chargebacks to user departments. Sufficient appropriations and estimated revenues are included in the FY 2023-2024 Internal Services Department - Fleet Services Division Org 8910 Recommended Budget. Ongoing costs for the remaining term of the recommended agreement will be included in future budget requests.

DISCUSSION:

Since the original Procurement Agreement was previously executed under a suspension of competition, the Department seeks Board ratification of the original Procurement Agreement's suspension of competition, and approval to amend, restate, replace, and supersede that Procurement Agreement with an agreement for the provision of Caterpillar OEM parts and repair services, and a maximum compensation amount of \$920,000. Quinn

On September 14, 2020, ISD-Purchasing approved the Procurement Agreement with Quinn for parts and repairs services for Caterpillar equipment for a potential term of five years and a total maximum compensation payable of \$625,000. The Procurement Agreement was effective August 15, 2020, and included a three-year initial term, with two optional one-year extensions. The Procurement Agreement was established through a Suspension of Competition approved by ISD-Purchasing, as Quinn is the only local authorized dealer of Caterpillar parts and repair services.

ISD - Fleet is now recommending that the current Procurement Agreement be replaced and superseded by the recommended agreement, which restates some of the terms of the existing Procurement Agreement and increases the total potential five-year compensation payable by \$295,000, from \$650,000 to \$920,000. To date, a total of \$463,476 has been paid to Quinn for both parts and labor services. In year one, \$170,236 was paid in compensation, and in year two, \$107,905 in compensation was paid. Compensation paid to date for year three is \$185,335. The increased funding in the recommended agreement will address the higher than anticipated need for major repairs of the Caterpillar equipment and will cover both materials and labor. The labor rates stated in the Procurement Agreement shall remain the same.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request Form
On file with Clerk - Agreement with Quinn Company

CAO ANALYST:

Ahla Yang