CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: General Services-Fleet Services

AGENDA DATE: August 25, 2009

CONTACT PERSON/PHONE: Stuart Ed, Director, General Service (Dept head)
Terrence Freiburg, Purchasing Manager, 541-4313

DISTRICT (S) AFFECTED: All

SUBJECT:
APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include $ amount if applicable.

Approve a sole source agreement with Sierra Machinery, Inc. for the purchase of Volvo, Samsung and Champion Parts and Service. Estimated expenditures over three (3) years are $285,000.00.

BACKGROUND / DISCUSSION:
Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

The city currently owns heavy equipment vehicles that require the use of Volvo, Samsung and/or Champion parts. This sole source agreement for parts and service would allow for the maintenance of Volvo, Samsung and Champion equipment used by the Environmental Services Department and Street Department. Sierra Machinery, Inc. is the sole source and authorized dealer in southwest Texas and southern New Mexico.

PRIOR COUNCIL ACTION:
Has the Council previously considered this item or a closely related one?

Yes, council previously awarded Volvo, Samsung and Champion Parts and Service on June 2, 2004 under agreement number 200-279.

AMOUNT AND SOURCE OF FUNDING:
How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

37370510-503125-45202-3700, General Services Dept, Internal Service Fund
62620003-503121-40101, Airport Cost Centers, Inventory Purchases

BOARD / COMMISSION ACTION:
Enter appropriate comments or N/A

N/A

**********REQUIRED AUTHORIZATION**********

LEGAL: _____ (If required)

FINANCE: _____ (If required)

DEPARTMENT HEAD: _____ 8/3/09
Name Signature Date

(Example: if RCA is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA:

CITY MANAGER: _____ **DATE:** _____

FINANCIAL SERVICES DEPARTMENT, PURCHASING DIVISION

DATE: August 10, 2009

TO: Municipal Clerk

FROM: Terrence Freiburg
Purchasing Manager, ext. 4313

Michael Lau
Procurement Analyst, ext. 4317

Please place the following item on the **CONSENT** Agenda for the Council Meeting of **August 25, 2009.**

Item should read as follow:

Request that the Purchasing Manager for Financial Services, Purchasing Division, be authorized to issue a Purchase Order(s) to Sierra Machinery, Inc.; the sole authorized sales, parts and service distributor in the El Paso, Texas for Volvo Construction Equipment and Volvo Road Machinery proprietary parts and service. Estimated annual amount is $95,000.00. Total estimated three (3) year award, $285,000.00 with the stipulation that the vendor provides an updated sole source letter and affidavit each year.

Department:	General Services
Estimated Amount:	$285,000.00 (Total for three (3) years)
Funds Available in:	37370510-503125-45202-37000
Funds Source:	General Services, Internal Service Fund
Funds Available in:	62620003-503121-40101-62000
Funds Source:	Airport Cost Centers, Inventory Purchases
Sole Source No.:	2009-258
District (s):	All

SPECIAL INSTRUCTIONS:

Reviewed by Edward Hyatt _____

Municipal Clerk's Use

ITEM NO. _____

cc: BID FILE

Prepared by Michael Lau

FINANCIAL SERVICES
PURCHASING DIVISION

SOLE SOURCE AFFIDAVIT

THIS IS AN OFFICIAL PURCHASING DOCUMENT – RETAIN WITH PURCHASE ORDER FILE

Before me, the undersigned official, on this day, personally appeared Maria F. Teran, a person known to me to be the person whose signature appears below, whom after being duly sworn upon his/her oath deposed and said:

1. My name is Maria F. Teran. I am over the age of 18, have never been convicted of a crime and am competent to make this affidavit.

2. I am an authorized representative of the following company or firm: Sierra Machinery, Inc.

3. The above named company or firm is the sole source for the following item(s), product(s) or service(s):
   Volvo / Ingersoll-Rand (Doosan)

4. Competition in providing the above named item(s) product(s), service(s) is precluded by the existence of a patent, copyright, secret process or monopoly as stated under Section 252.022, Subchapter A of the Local Governmental Code 7A or as provided for under 7B-F of the same section. Also, attached hereto is a sole source letter, which sets forth the reasons why this Vendor is a sole source provider (dated and signed).

5. There is/are no other like item(s) or product(s) available for purchase that would serve the same purpose or function.

6. **Note: This Vendor understands that by providing false information on this Sole Source Affidavit, it may be considered a non-responsible Vendor on this and future purchases and may result in discontinuation of any/all business with the City of El Paso.**

Signature

SUBSCRIBED AND SWORN to before me on this 1st day of July, 2009.

NOTARY PUBLIC

PATRICIA JORDAN
My Commission Expires
February 6, 2012

PRINTED NAME

MY COMMISSION EXPIRES

COMPANY NAME: Sierra Machinery, Inc.

ADDRESS, CITY, STATE & ZIP CODE 939 Hawkins Blvd., El Paso, Texas 79915

PHONE: (915) 772-0613 FAX NUMBER: (915) 772-1964

CONTACT NAME AND TITLE: Maria F. Teran - President

WEB ADDRESS: www.sierraelpaso.com EMAIL: info@sierraelpaso.com

FEDERAL TAX ID NUMBER: 74-2160500 TEXAS SALES TAX NUMBER: 01-74-2160500-1

VOLVO CONSTRUCTION EQUIPMENT

2009 AUG -6 PM 2:18

RECEIVED
PURCHASING DEPARTMENT

July 30, 2009
(828) 650-2332

Ms. Maria Teran
Sierra Machinery, Inc.
939 Hawkins Blvd.
El Paso, TX 79915

RE: Volvo Construction Equipment North America, Inc. ("Volvo CE")
Volvo Road Machinery Inc. ("Volvo Road")

Dear Ms. Teran:

Please be advised that Sierra Machinery, Inc. ("Sierra") now has the exclusive territory for full-line Volvo CE products in the following Counties of (i) New Mexico: Chaves, Dona Ana, Eddy, Grant, Hidalgo, Lincoln, Luna, Otero, Sierra and; (ii) Texas: Brewster, Culberton, El Paso, Hudspeth, Jeff Davis, Pecos, Presidio, Reeves, and Terrell.

Sierra is the only authorized Volvo Road dealer for Compactors-Asphalt over and under 7 Ton, Soil Compactors over and under 7 Ton, Trench Compactors, Hot Tacks, Road Wideners and Material Transfer Vehicles in the following Counties of Texas: Brewster, Culberson, El Paso, Hudseth, Jeff Davis, Pecos, Presidio, Reeves, and Terrell and the following counties of New Mexico: Chaves, Dona Ana, Eddy, Grant, Hidalgo, Lea, Lincoln, Luna, Otero and Sierra.

Thus, currently Sierra Machinery is the only authorized source of genuine Volvo CE parts and service for construction equipment in the above areas as well as parts and service for the above Volvo Road products. Parts and services ordered from Sierra Machinery will provide warranty of the products.

Please feel free to call if you have any questions.

Sincerely,

Lisa C. Slocum
Senior Paralegal – Dealer Transactions

Volvo Construction Equipment North America, Inc.
One Volvo Drive
Asheville, North Carolina 28803-3447

Telephone
(828) 650-2000

Telefax
(828) 650-2501

Website
www.volvoce.com