# MEMORANDUM

**To:** Ted Smith, Chair of TARC Board of Directors

**From:** Ozzy Gibson, Interim Executive Director

**Date:** February 28, 2024

**Re:** Resolution 2024-08 COOLING COMPONENTS AND RELATED SUPPLIES (ITB 20231859)

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In October 2023, the Procurement Department issued an invitation to bid (ITB) 20231859 for Cooling Components and Related Supplies. The solicitation was advertised in TARC's Bonfire online and Transit Talent. Bids were received from two (2) qualified and experienced vendors and both were deemed responsive.

The Procurement Department performed an independent cost estimate prior to receiving bids and the data is based on the last three (3) years spend. Historically our average annual spend for these types of supplies and materials are $82,180. With previous yearly contracts, in the past we have not taken this to the Board for authorization and approval. However, we are now opting to have two (2) or more years with respect to agreements for these supplies so we must ask the Board for authorization and approval to enter into an agreement due to the threshold of Board approval.

Price increases of raw materials are apparent and inventory availability is volatile, so the Procurement Department has increased the anticipated spend to $82,802 beginning this year with an escalation of 10% year-after-year. The Procurement Department will be performing a pricing analysis prior to the 2nd year's expiration of the contract to ensure price is within the market range.

The proposed pricing from both bidders was reviewed and compared against an Independent Cost Estimate (ICE) conducted by the Procurement Department, which found that the items were priced fair and reasonable both bidders. It is our intent to award these line item parts jointly to two (2) vendors:

- Muncie
- Kirk's

At this time, we respectfully request the Board of Directors to authorize the Interim Executive Director to enter into an agreement with an initial term of two (2) years in the amount of $173,884 with an option of three (3) one-year terms in the amount of $327,953 over those three additional years. The five (5) year total for this agreement shall not exceed amount is $501,838.

Please call me at 561-5100 if you have any questions. Thank you.

# RESOLUTION 24-08
# COOLING COMPONENTS AND RELATED SUPPLIES

A Resolution authorizing the Interim Executive Director to enter into an agreement for an Initial Term of two (2) years with an Option of three (3) additional one-year terms for cooling components and related supplies:

**WHEREAS**, a competitive solicitation, Invitation to Bid (ITB) 20231859 was issued on October 18, 2023 for such supplies; and

**WHEREAS**, TARC seeks a multi-vendor award to provide cooling components and related supplies; and

**WHEREAS,** TARC received two proposals to its ITB, which TARC deemed responsive and responsible, and TARC believes a multi-vendor award to Muncie and Kirk's is in its best interest; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Transit Authority of River City that:

The Interim Executive Director is hereby authorized to enter into agreement for an Initial Term of two (2) years with an Option of three (3) additional one-year terms with Muncie and Kirk's for a total not-to-exceed amount of $501,838.

**ADOPTED THIS 28th DAY OF February 2024**

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**Ted Smith, Chair of the Board of Directors**