



AGENDA MEMORANDUM

Action Item for the City Council Meeting July 22, 2025

DATE: July 22, 2025

TO: Peter Zaroni, City Manager

FROM: Juan Rivera, Interim Director of Asset Management
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<p>Purchase and Lease-Purchase of 15 replacement and six additional heavy equipment by various City Departments</p>
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CAPTION:

Resolution authorizing the acquisition of 15 replacement and six additional heavy equipment by various City Departments, of which 16 units will be outright purchases and five units will be lease-purchases, through the BuyBoard, HGAC, and Sourcewell Cooperatives, for a total amount of \$4,814,399.94, with FY 2025 funding in the amount of \$2,909,753.59, with \$173,149.65 coming from the FY 2025 General Fund, \$162,905.33 coming from the FY 2025 Streets Fund, and \$2,573,698.61 coming from the FY 2025 Fleet Equipment Replacement Fund.

SUMMARY:

This resolution authorizes the acquisition of 15 replacement and six additional heavy equipment by various City Departments, of which 16 units will be outright purchases and five units will be lease-purchases, through the BuyBoard, HGAC, and Sourcewell Cooperatives.

BACKGROUND AND FINDINGS:

Corpus Christi Water:

The Corpus Christi Water (CCW) Department will purchase one replacement trailer mounted air compressor from United Rentals North America through the Sourcewell Cooperative for \$93,289.05, with funding from the FY 2025 Fleet Equipment Replacement Fund. This item is needed to replace the current air compressor that is 11 years old and is no longer feasible to repair. This replacement trailer mounted air compressor will be used to perform various tasks around the treatment plants such as operating pneumatic tools, providing additional aeration during plant maintenance activities, and will be used with a "stinger" to stir up settled heavy solids so they can be removed from the treatment process. This replacement trailer mounted air compressor will be shared with across all of CCW's treatment plants as needed.

CCW will also purchase one replacement Chevrolet 5500 bucket truck from Sewell Ford Inc., through the HGAC Cooperative for \$239,371.00, with funding from the FY 2025 Fleet Equipment Replacement Fund.

The replacement unit is equipped with a manlift bucket, which allows the Instrumentation & Electrical and Mechanical Maintenance Team to safely work on elevated equipment at the wastewater treatment plants and lift stations. This item is needed to replace a 2017 Transit 250 van that has met its service life of seven years.

CCW will also purchase one replacement Caterpillar 416 Backhoe Loader and one replacement Caterpillar 450 Backhoe Loader, from Holt Cat, through the Sourcewell Cooperative for a combined amount of \$375,875.92 with funding from the FY 2025 Fleet Equipment Replacement Fund. The two replacement backhoe loaders will be utilized for rehab, deep excavations, and major construction. The backhoe loaders being replaced are an average of five and half years past their expected service life.

Gas:

The Gas Department will purchase two replacement John Deere 17P Excavators, one replacement John Deere 410P Backhoe Loader with Side Boom, one additional John Deere 410P Backhoe Loader with Side Boom, one additional 85P Excavator, and one additional John Deere 30P Excavator, from Doggett Heavy Machinery through the Sourcewell Cooperative for a combined amount of \$769,300.44, with funding from the FY 2025 Fleet Equipment Replacement Fund.

Each of the units being replaced have exceeded their service lives by an average of seven years. The additional units are due to the increase in developments and street improvement projects throughout the city. These units will ensure that the Gas Department has sufficient vehicles in the fleet to complete projects efficiently and within time schedules. One of the additional John Deere backhoe loaders and the two additional John Deere excavators are part of an FY 2025 Budget Initiative.

Parks and Recreation:

The Parks and Recreation Department will purchase one replacement John Deere 325G Track Loader with Bucket, Broom, and Rotary Mower attachments, from Doggett Heavy Machinery through the Sourcewell Cooperative for a combined amount of \$121,797.90, with funding from the FY 2025 Fleet Equipment Replacement Fund. The unit to be replaced was decommissioned due to severe rust caused by the salty environment of the beach. The replacement loader with attachments will be used to clean sidewalks, jetty walk, and seawall as well as to mow the Packery Channel area.

The Parks and Recreation Department will also purchase one replacement Freightliner 114SD truck chassis with 12-yard dump body from Houston Freightliner through the HGAC Cooperative for \$221,917.30, with funding from the FY 2025 Fleet Equipment Replacement Fund. The unit to be replaced was decommissioned due to severe rust caused by the salty environment of the beach. This replacement dump truck will be used to haul large quantities of mulch crushed granite, gravel, milestone, dirt, and old playground equipment.

Public Works:

Public Works will purchase two additional Western Star 49X truck chassis with 18-yard dump bodies from Corpus Christi Freightliner through the Sourcewell Cooperative for a combined amount of \$485,111.00, with funding from the FY 2025 Fleet Equipment Replacement Fund as part of an FY 2025 Budget Initiative. These additional units will be used to perform hauling duties for the new construction crew, taking materials such as cushion sand, stabilizer sand, asphalt, and construction equipment to locations, as well as, hauling off any spoil removed from excavations.

Public Works will also purchase one additional Etnyre R50TL3-PS Low-boy 50-ton equipment trailer from Cooper Equipment Company, through the BuyBoard Cooperative for \$162,905.33, with funding from the FY 2025 Steets Fund. Staff is currently using a trailer that is 15 years old with life-to-date maintenance costs of \$43,159.12 and an original purchase price of \$63,123. The current trailer's unreliability, especially during critical weather events, combined with the growing demands of this expanding department, necessitates the Immediate addition of a more reliable and capable trailer to the fleet. Acquiring a new Etnyre 50-Ton Trailer will resolve these issues by providing consistent reliability, improved efficiency, and enhanced capacity for transporting heavy machinery. This will ensure swift responses to

operational demands and maintain the efficiency and reliability of the Public Works Street Department. Additionally, the existing trailer will be retained as a backup and will supplement the new unit, as this department has grown to four paving crews. The new trailer is specialized to transport specialty paving equipment, which tends to be wider than normal construction equipment, further enhancing its utility.

Solid Waste:

The Solid Waste Department will lease-purchase one replacement Mack truck chassis with McNeilus automated side loader refuse body from Bruckner Truck Sales Inc., through the HGAC Cooperative for a total amount of \$528,275.56, with funding of \$44,022.95 for the lease-purchase payments from the FY 2025 General Fund. This replacement vehicle is used to collect and transport residential refuse from neighborhoods to the landfill. This truck will replace a refuse truck that has maintenance costs of \$36,000 above its original purchase cost and is no longer feasible to repair.

Solid Waste will also lease-purchase one replacement Freightliner 108SD truck chassis with brush body and two replacement Freightliner M2-106 Chassis with RS3 Rear Steer Body trucks from Houston Freightliner through the HGAC Cooperative for a combined amount of \$1,001,555.03, with funding of \$83,462.90 for the lease-purchase payments from the FY 2025 General Fund. The replacement brush truck is used to transport residential brush and bulky items from neighborhoods to the landfill. The brush truck is designed for driving through residential neighborhoods. The brush truck to be replaced has exceeded its useful service life of 8,400 hours with a total of 10,743 hours to date. The replacement rear steer trucks are used to collect residential brush and bulky items and load them into brush trucks. The rear steer trucks come with a secondary cab and a grapple mounted on the back. This increases safety as it allows the operator to be up high to see everything that is going on below as the truck is being loaded. The trucks to be replaced have exceeded their useful service life with life-to-date maintenance costs above their original purchase price.

Solid Waste will also lease-purchase one replacement John Deere 644P Waste Handler from Doggett Heavy Machinery through the Sourcewell Cooperative for \$547,965.41, with funding of \$45,663.80 for the lease-purchase payments from the FY 2025 General Fund. This replacement unit is a frontend loader that is used for pushing and loading refuse into Solid Waste tractor trailers for disposal at the landfill. This unit will include solid tires (run flat), a special grapple bucket, and protective plates and screens for equipment components that are prone to damage due to handling waste. The unit to be replaced has exceeded its useful service life of 8,400 hours with a total of 12,645 hours to date.

Solid Waste will also purchase one replacement Freightliner 108SD truck chassis with brush body from Houston Freightliner through the HGAC Cooperative for \$267,036.00, with funding from the FY 2025 Fleet Equipment Replacement Fund. This replacement truck is used to transport residential bulky and brush items from neighborhoods to the landfill. The truck to be replaced has exceeded its useful service life of 8,400 hours with a total of 9,997 hours to date.

All Vehicles and Equipment:

For each of the vehicles and equipment to be replaced, upon the arrival of each new unit, the user department will turn in the old unit to the City auction yard in exchange for the new one. The old unit will then be formally designated for disposal under public sale practices. Following the City's current public sale practices, the unit will be staged for disposal during the City's annual auction in the succeeding October. All sales proceeds will return to the user department for future replacement funding. Units designated for auction may, from time to time, be retained to support a department's ready reserve upon executive leadership approval.

The City's Director of Finance & Procurement, or the Director's designee, will be authorized to approve necessary substitute acquisitions of vehicles, machinery, and equipment designated in this resolution, provided, (i) the substitute meets or exceeds the original product features available in the manner specified in this resolution, (ii) the substitute product is available through the same purchasing method, and (iii) at the same or lower pricing authorized in this resolution.

This means that, upon City Council approving this resolution, the City's Director of Finance &

Procurement, or his/her designee, would be authorized to approve any substitutions for fleet items in the batch of vehicles only found in this resolution. Although, to authorize such a substitution, the replacement(s) must meet or exceed the original requirements approved by City Council for this resolution only.

Below is a summary table that provides an overview of the 21 vehicles and equipment purchased from each of the three co-ops (BuyBoard, Sourcewell, HGAC).

Coop	Description	Quantity	Cost
BuyBoard	Equipment Trailer	1	\$162,905.33
Total		1	\$162,905.33
HGAC	Brush/Rear Steer Trucks	3	\$1,001,555.03
HGAC	Bucket Truck	1	\$239,371.00
HGAC	Freightliner Dump/Brush Trucks	2	\$488,953.30
HGAC	Side Loader Refuse Truck	1	\$528,275.56
Total		7	\$2,258,154.89
Sourcewell	18-Yd Dump Trucks	2	\$485,111.00
Sourcewell	Bakhoe Loaders	2	\$375,875.92
Sourcewell	John Deere Construction Equipment	7	\$891,098.34
Sourcewell	Trailer Monted Air Compressor	1	\$93,289.05
Sourcewell	Waste Handler	1	\$547,965.41
Total		13	\$2,393,339.72
Sum Total		21	\$4,814,399.94

PROCUREMENT DETAIL:

The procurement is through the BuyBoard, HGAC, and Sourcewell Cooperatives. Contracts awarded through the cooperative have been competitively procured in compliance with Texas Local and State procurement requirements.

Procurement has modified their business practices for a proactive approach to the City's vehicle procurement process. The modified business practice uses all resources available to ensure that vehicles and equipment are sourced and delivered in a timely manner while using economically favorable methods. The FY 2025 budget includes 263 new and replacement vehicles and equipment. With the approval of this item, a total of 65% (170 units) will have been procured year- to-date.

ALTERNATIVES:

The alternative is not to approve these purchases and lease-purchases and instead continue using current units that are beyond their expected service lives. This will increase the cost of repairs and result in a loss of productive man-hours due to more frequent maintenance issues. It will also affect employee safety since the current units are beyond their expected service lives and could suffer malfunctions and other issues.

FISCAL IMPACT:

The FY 2025 fiscal impact of the lease purchases totals \$173,149.65 for the lease purchase payments from the FY 2025 General Fund. The remaining balance of \$1,904,646.35 for the lease purchase payments includes \$208,893.49 in total interest based on a 4.25% interest rate and a term of 60 months. The remaining balance of \$1,904,646.35 will be funded through the annual budget process.

The FY 2025 fiscal impact of the outright purchases totals \$2,736,603.94 with \$162,905.33 coming from

the Streets Fund, and \$2,573,698.61 coming from the Fleet Equipment Replacement Fund.

As part of the FY 2025 Budget process, 15 of the 21 units were approved for replacements. Five additional units are part of FY 2025 Budget Initiatives (one John Deere backhoe loader and two John Deere excavators for the Gas Department; two Western Stat dump body trucks for Public Works). One additional trailer for Public Works is funded through the Streets Fund.

FUNDING DETAIL:

Lease-Purchases:

Fund Name	Accounting Unit	Account No.	Amount
General Fund	1020-31-12504	530190	\$45,663.80
General Fund	1020-31-12510	530190	\$44,022.95
General Fund	1020-31-12511	530190	\$83,462.90
Total			\$173,149.65

Outright Purchases:

Fund Name	Accounting Unit	Account No.	Amount
Streets Fund	1041-33-12430	550020	\$162,905.33
Fleet Equipment Replacement Fund	5111-13-11112	550020	\$221,917.30
Fleet Equipment Replacement Fund	5111-13-12500	550020	\$267,036.00
Fleet Equipment Replacement Fund	5111-13-13836	550020	\$121,797.90
Fleet Equipment Replacement Fund	5111-13-32000	550020	\$485,111.00
Fleet Equipment Replacement Fund	5111-13-33000	550020	\$708,535.97
Fleet Equipment Replacement Fund	5111-13-34000	550020	\$769,300.44
Total			\$2,736,603.94

RECOMMENDATION:

Staff recommends approval of this item authorizing the acquisition of 15 replacements and six additional vehicles/equipment by various City Departments, as presented.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Exhibit 1 Spreadsheet
Exhibit 2 Spreadsheet
Exhibit 3 Spreadsheet