



AGENDA MEMORANDUM

Action Item for the City Council Meeting December 5, 2023

DATE: November 28, 2023

TO: Peter Zanoni, City Manager

FROM: Ernesto De La Garza, Director of Public Works
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Three Dump Trucks Rental for Public Works

CAPTION:

Motion authorizing execution of a one-year service agreement, with two one-year options, with United Rentals (North America) Inc. of Stamford, Connecticut, with an office in Corpus Christi, through Sourcewell Cooperative, in an amount not to exceed \$183,402.00, with a potential amount of \$550,206.00 if options are exercised, for the rental of three 10-14 yard dump trucks for Public Works, with FY 2024 funding of \$168,119.00 from the Storm Water Fund.

SUMMARY:

This motion authorizes a one-year service agreement for dump trucks rental for Public Works. This equipment is necessary to kickstart the Budget Initiative to maintain the minor channels.

BACKGROUND AND FINDINGS:

For Fiscal Year 2024 city council approved an enhancement to add a minor channel maintenance crew to the storm water program. This enhancement included equipment and Full-time employees (FTE's) to begin this non-existent program. With lead times sometimes being 12 months or longer on equipment this rental would allow us to begin our maintenance enhancement while waiting for equipment to arrive.

PROCUREMENT DETAIL:

This procurement is through the Sourcewell Cooperative. Contracts awarded through the Sourcewell Cooperative have been competitively procured, in compliance with local and state procurement requirements.

United Rentals (North America) Inc. (Branch L40) under Sourcewell Cooperative offers 17.37%

discount off the published book rates on dump truck rentals. Procurement also conducted cost comparison with the HGAC Buy Cooperative with same size and model dump truck for a cost savings of 6.43%. When not utilizing the Sourcewell Cooperative, outside competitive rental quotes from other rental firms generate cost savings of 51.8%. Below is a table that displays the difference between the pricing for the recommended and the alternative pricing.

It is to be noted, United Rentals (North America) Inc. (Branch L40) has a 28-day pricing model.

This calculates to a 28-day cycle for 12 months, totaling 336 days, leaving 29 days or an extra month plus 1 day to complete the 365-day calendar year.

UNIT	Sourcewell Cooperative Pricing	Outside rental – Competitive quote	Variance
Month Pricing for 12-14 yard Dump Truck (qty. 1ea)	\$ 4,661.00	\$ 7,075.00	\$ (2,414.00)

ALTERNATIVES:

Newly hired staff would be tasked in other storm water operations until equipment arrives.

FISCAL IMPACT:

The fiscal impact of FY 2024 is \$168,119.00.

FUNDING DETAIL:

Fund: 4300
Organization/Activity: 32005
Department: 47
Project # (CIP Only): N/A
Account: 530160

RECOMMENDATION:

Staff recommends approval to execute this motion authorizing a one-year service agreement with United Rentals (North America) Inc. with an office in Corpus Christi for the Public Works Department as presented.

LIST OF SUPPORTING DOCUMENTS:

Service Agreement
Price Sheet