



AGENDA MEMORANDUM

Action Item for the City Council Meeting January 30, 2024

DATE: January 30, 2024

TO: Peter Zanoni, City Manager

FROM: Brett Van Hazel, Director of Asset Management
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Cost Increases for Vehicles Previously Approved by City Council

CAPTION:

Resolution authorizing the expenditure of additional funds in the amount of \$122,877.00, for the acquisition of five previously approved vehicles for Corpus Christi Water, with FY 2024 funding from Fleet Equipment Replacement Fund.

SUMMARY:

Resolution authorizing the approval of price increases on a total of five vehicles previously approved through City Council.

BACKGROUND AND FINDINGS:

On June 28, 2022, Council approved Legistar 22-0983, the purchase of two Freightliner M2-106 with 4K Crane, two Freightliner M2-106 with 8K Crane, and one Freightliner M2-106 with Service Body from Houston Freightliner, Inc. of Houston, Texas for a total amount of \$970,546.16 with FY 2022 funding from the Fleet Equipment Replacement Fund. Due to a cost increase of materials, the total price for the five trucks has increased by \$122,877.00. To reflect the price increase, Corpus Christi Water is authorized to acquire by purchase the trucks identified in this section from Houston Freightliner, Inc. for a total amount of \$1,093,423.16 with the additional FY 2024 funding in the amount of \$122,877.00 from the Fleet Equipment Replacement Fund. The items identified in this section will be acquired through the HGACBuy Cooperative.

ALTERNATIVES:

The alternative would be to continue using current units that are beyond their expected service lives. This would increase the cost of repairs and loss of productive man-hours due to more frequent maintenance issues.

FISCAL IMPACT:

The FY 2024 fiscal impact of these cost increases of \$122,877.00 are funded by the Fleet Maintenance Equipment Replacement Fund.

FUNDING DETAIL:

| | |
|------------------------|------------|
| Fund: | 5111 |
| Organization/Activity: | 33000 |
| Department: | 13 |
| Project# (CIP Only): | N/A |
| Account: | 550020 |

RECOMMENDATION:

Staff recommends approval of this item as presented.

LIST OF SUPPORTING DOCUMENTS:

Resolution with Exhibit A