



## AGENDA MEMORANDUM

Action Item for the City Council Meeting of November 12, 2019

**DATE:** November 12, 2019

**TO:** Peter Zaroni, City Manager

**FROM:** Kevin Norton, Director of Water Utilities  
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### Rental of Excavators for Water Utilities

#### **CAPTION:**

Motion authorizing a one-year rental agreement with Herc Rentals Inc., of Corpus Christi, Texas, for on-call rental of mini-excavators and attachments used daily by Water Utilities Department for emergency repairs and construction of water and wastewater infrastructure, for a total amount not to exceed \$180,726.00, effective upon issuance of a notice to proceed, with funding through the Water and Wastewater Funds.

#### **SUMMARY:**

This item is to approve a rental agreement for excavators for the Water Utilities Maintenance of Lines Division, for an amount not to exceed \$180,726.00, to be used when the City's mini-excavators are non-operational and while two replacement mini-excavators are procured in Fiscal Year 2020. This equipment will be used for construction work and emergency repairs of water and wastewater infrastructure throughout the City.

#### **BACKGROUND AND FINDINGS:**

Water Utilities Department has nineteen mini-excavators in the fleet that are used daily by construction and repair crews. The previous Rental Agreement with Herc Rentals, Inc. expired on June 6, 2019, and this contract was primarily used when City excavators were in the shop for extended repair or maintenance periods. Water Utilities Department reached out to the Contracts and Procurement Department to issue a solicitation for a new contract, and the City has continued month-to-month rentals of three mini-excavators

until a new rental contract can be obtained. The three rentals are being used while two replacement mini-excavators are procured in FY20 and because a 2005 Yanmar mini-excavator is now experiencing frequent breakdowns and will soon need to be replaced.

This contract is being awarded through the Buy Board. Contracts awarded through the Buy Board Cooperative have been competitively procured, in compliance with Texas local and state procurement requirements.

**ALTERNATIVES:**

An alternative is not entering into a rental agreement. This would result in delays in construction work and prolonged response to emergency repairs; therefore, creating a loss of service to City customers.

**FISCAL IMPACT:**

The financial impact is an amount not to exceed \$180,726.00 for a one-year rental agreement with Herc Rentals Inc., of Corpus Christi, Texas, for rental of excavators and attachments used daily by Water Utilities Department for emergency repairs and construction of water and wastewater infrastructure throughout the City. This rental agreement will be used when City excavators are non-operational and when replacement equipment is being procured.

**FUNDING DETAIL:**

|                        |                                    |
|------------------------|------------------------------------|
| Fund:                  | 4200 Wastewater Fund               |
| Organization/Activity: | 33400 Wastewater Collection System |
| Mission Element:       | 042                                |
| Project # (CIP Only):  | N/A                                |
| Account:               | 530160 Rentals                     |

**FUNDING DETAIL:**

|                        |                                     |
|------------------------|-------------------------------------|
| Fund                   | 4010 Water Fund                     |
| Organization/Activity: | 31520 Treated Water Delivery System |
| Mission Element:       | 041                                 |
| Project # (CIP Only):  | N/A                                 |
| Account:               | 530160 Rentals                      |

**RECOMMENDATION:**

Staff recommends approval of this motion authorizing a one-year rental agreement with Herc Rentals Inc. for the rental agreement of heavy equipment as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Rental Agreement  
Price Sheet