



AGENDA MEMORANDUM

Action Item for the City Council Meeting September 13, 2022

DATE: September 13, 2022

TO: Peter Zanoni, City Manager

FROM: Charles Mendoza, Director of Asset Management
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Cost Increases for Vehicles and Equipment Previously Approved by City Council

CAPTION:

Resolution authorizing the expenditure of additional funds in the amount of \$280,398.18 for the acquisition of 19 previously approved vehicles and equipment for various departments, with FY 2022 funding of \$59,065.00 for the purchases and the remaining balance of \$221,333.18 for the lease-purchases from future FY 2023 funding, subject to appropriation.

SUMMARY:

Resolution authorizing the approval of price increases on a total of 19 vehicles and equipment previously approved through City Council.

BACKGROUND AND FINDINGS:

On March 16, 2021, Council approved Legistar 21-0189, the lease purchase via JP Morgan, one Western Star Rolloff truck from Lonestar Freightliner Group, LLC of Waco, Texas for a total amount of \$214,522.96 for Solid Waste with funding from the General Fund. Due to a cost increase of material, the price has increased by \$15,850.05. To reflect the price increase, Solid Waste is authorized to acquire by lease purchase via JP Morgan, one Western Star Rolloff truck from Lonestar Freightliner Group, LLC of Waco, Texas for a total amount of \$230,373.01 with funding from the General Fund. The item listed will be acquired through the BuyBoard cooperative.

On April 20, 2021, Council approved Legistar 21-0348, the lease purchase via JP Morgan, one LR64 Refuse Truck from Grande Ford Truck Sales, Inc, dba Grande Truck Center of San Antonio, Texas for a total amount of \$348,568.25 for Solid Waste with funding from the General Fund.

Grande Truck Center of San Antonio, Texas is now known as Bruckner Truck Sales, Inc. Wichita Falls, Texas. Due to a cost increase of material, the price has increased by \$28,382.66. To reflect the price increase, Solid Waste is authorized to acquire by lease purchase via JP Morgan, one LR64 Refuse Truck from Bruckner Truck Sales, Inc. Wichita Falls, Texas for a total amount of \$376,950.91 with funding from the General Fund. The item listed will be acquired through the HGAC cooperative.

On May 11, 2021, Council approved Legistar 21-0458, the lease purchase via JP Morgan, one brush container truck from Houston Freightliner, Inc. of Houston, Texas for a total amount of \$157,350.21 for Solid Waste with funding from the General Fund. Due to a cost increase of material, the price has increased by \$13,914.61. To reflect the price increase, Solid Waste is authorized to acquire by lease purchase via JP Morgan, one brush container truck from Houston Freightliner, Inc. of Houston, Texas for a total amount of \$171,264.82 with funding from the General Fund. The item listed will be acquired through the HGAC cooperative.

On January 25, 2022, Council approved Legistar 22-0045, the purchase of one Transit 15 Passenger Van, four Transit 250 Cargo Vans, and one E350 SRW KUV van from Silsbee Ford of Silsbee, Texas for a total amount of \$230,526.75 for Asset Management – Fleet Division, CCW – Wastewater Division and CCW - Water Divisions with funding from the Fleet Equipment Replacement Fund. Since approval, the manufacturer cancelled production and placed the order in the next production schedule, requiring a new order with a price increase of \$71,515. To reflect the price increase Asset Management – Fleet Division and CCW – Wastewater and Water Divisions are authorized to purchase one Transit 15 Passenger Van, four Transit 250 Cargo Vans, and one E350 SRW KUV van from Silsbee Ford of Silsbee, Texas for a total amount of \$302,041.75 with funding from the Fleet Equipment Replacement Fund and Wastewater Fund. The items listed will be acquired through the GoodBuy cooperative.

On February 22, 2022, Council approved Legistar 22-0185, the lease purchase via JP Morgan, six CPS 32' End Dump Trailers from Pavelka Truck and Trailer Sales of Robstown, Texas for a total amount of \$374,134.32 for Public Works with funding from the Storm Water Fund. Due to a cost increase of material, the price has increased by \$50,659.98. To reflect the price increase, Public Works is authorized to acquire by lease purchase via JP Morgan, six CPS 32' End Dump Trailers from Pavelka Truck and Trailer Sales of Robstown, Texas for a total amount of \$424,794.30 with funding from the Storm Water Fund. The items listed will be acquired through the HGAC cooperative.

On February 22, 2022 Council approved Legistar 22-0185, the lease purchase via JP Morgan, four Mack LR64 McNeilus Garbage Trucks from Buckner Truck Sales, Inc. Wichita Falls, Texas for a total amount of \$1,520,335.06 for Solid Waste, with funding from the General Fund. Due to a cost increase of material, the price has increased by \$100,075.88. To reflect the cost increase, Solid Waste is authorized to acquire by lease purchase via JP Morgan, four Mack LR64 McNeilus Garbage Trucks from Buckner Truck Sales, Inc. Wichita Falls, Texas for a total amount of \$1,620,410.94 with funding from the General Fund. The items listed will be acquired through the HGAC 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 2022 fiscal impact of these cost increases of \$59,065.00 are funded by various department funds. The remaining balance of \$221,333.18 for the lease-purchases from future FY2023 funding, subject to appropriation. The interest rate for the lease purchased items, depended on the estimated time of arrival is between 4% through 5% for a total cost of \$319,092.66, and a term of 60 months.

FUNDING DETAIL:

Various Department

RECOMMENDATION:

Staff recommends approval of this item as presented.

LIST OF SUPPORTING DOCUMENTS:

Resolution with Exhibit A