



AGENDA MEMORANDUM

Future Item for the City Council Meeting of January 27, 2015
Action Item for the City Council Meeting of February 10, 2015

DATE: January 27, 2015

TO: Ronald L. Olson, City Manager

FROM: Gabriel Maldonado, Interim Procurement Manager
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Service Agreement for Rental of Motor Grader and Wheel Loaders

CAPTION:

Motion approving a service agreement with Doggett Heavy Machinery Services, Corpus Christi, Texas for the rental of one (1) motor grader and three (3) wheel loaders in accordance with Bid Invitation No. BI-0197-14, based on only bid for a total expenditure of \$560,709.00, of which \$166,136.00 is required for the remainder of FY 2014-2015. The term of the agreement shall be for twenty-seven (27) months. Funds have been budgeted by the Parks and Recreation Department in FY 2014-2015.

PURPOSE:

The equipment will be used by the Beach Operations Division of the Parks and Recreation Department to maintain the beach and beach roadways.

BACKGROUND AND FINDINGS:

The equipment will be used for nine (9) months out of the year, from February through October, for three (3) consecutive years and will be returned to the vendor each year for the three (3) months that it is not being used. The City will not be charged for those three (3) months.

ALTERNATIVES:

The decision to rent equipment in lieu of purchasing it was made due to the harsh conditions at the beach. The service agreement provides for full maintenance that will keep the units operational throughout the term of the agreement.

OTHER CONSIDERATIONS:

Not applicable

CONFORMITY TO CITY POLICY:

This purchase conforms to the City's purchasing policies and procedures and State statutes regulating procurement.

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

Parks and Recreation Department

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2014-2015	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$240,000.00	\$394,573.00	\$634,573.00
Encumbered / Expended Amount		\$19,456.90	\$0	\$19,456.90
This item		\$166,136.00	\$394,573.00	\$560,709.00
BALANCE		\$54,407.10	\$0	\$54,407.10

Fund(s): General Fund

Comments: The \$166,136.00 financial impact shown above represents eight (8) months of expenditures that will be encumbered through the end of this fiscal year. The remaining \$394,573.00 for the last nineteen (19) months of the contract will be requested for future fiscal years during the normal budget process.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation