



AGENDA MEMORANDUM

Future Item for the City Council Meeting of May 13, 2014

Action Item for the City Council Meeting of May 20, 2014

DATE: May 13, 2014

TO: Ronald L. Olson, City Manager

FROM: Gabriel Maldonado, Interim Procurement Manager
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Purchase & Lease-Purchase of CNG Vehicles

CAPTION:

Motion approving the purchase of five (5) heavy trucks, twenty-six (26) light trucks, and one (1) SUV and the lease-purchase of five (5) heavy trucks, and forty-five (45) light trucks for the total amount of \$2,896,263.60, of which \$1,077,464.00 is required for the remainder of FY 2013-2014. The vehicles are awarded to the following companies for the following amounts in accordance with Bid Invitation No. BI-0117-14 based on lowest responsible bid and on lowest local bid. Funding for the purchase of vehicles is available in the Capital Outlay Budget of the Maintenance Service Fund and the Municipal Information System Fund. Financing for the lease-purchase of vehicles will be provided through the City's lease-purchase financing contractor.

Grapevine DCJ, LLC
Grapevine, TX
Items 13 & 26
\$45,642.60

Silsbee Ford
Silsbee, TX
Items 2, 4, & 9
\$82,572.00

AutoNation Ford
Corpus Christi, TX
Items 1, 3, 5-8, 10-12, 14-25, 27-31
\$2,768,049.00

Grand Total: \$2,896,263.60

PURPOSE:

These vehicles will be used by the Solid Waste, Utilities, Gas, MIS, Fleet Maintenance, Facility Maintenance, and Engineering Departments.

BACKGROUND AND FINDINGS:

All vehicles are replacement units with the exception of eleven (11) light trucks that are additions to the fleet.

ALTERNATIVES:

All vehicles are CNG with the exception of four (4) light trucks that will be used by the Utilities Department at Choke Canyon and Wesley Seale Dams and the Lake Texana Pipeline where CNG fuel is not available and three (3) light trucks with 5.0 liter engines and one (1) compact SUV for which CNG is not available.

OTHER CONSIDERATIONS:

The recommended award is based on Section 26 of the Council Policies of the City of Corpus Christi Code of Ordinances. The ordinance provides for local preference when a local bidder is within 5% of a non-local bidder.

Financing for the lease-purchase of vehicles is based on a sixty-month term with an estimated interest rate of 2.25% for an annual payment of \$384,945.60. The total estimated cost over the five-year period, including principal of \$1,818,799.60 and interest of \$105,928.14, is \$1,924,728.00. Funding is available through the Gas, General, Engineering, Maintenance Service, and Facilities Maintenance Services Funds.

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:

General Services

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

FISCAL YEAR: 2013-2014		Current Year		Future Years	TOTALS
		Purchase	Lease Purchase		
Budget	Purchase	7,839,035.51			7,839,035.51
	Lease Purchase		11,590,240.24	1,924,728.00	13,514,968.24
Encumbered/Expended amount as of 6/6/13	Purchase	(3,518,414.05)			(3,518,414.05)
	Lease Purchase		(6,649,861.93)		(6,649,861.93)
This Item	Purchase	(1,077,464.00)			(1,077,464.00)
	Lease Purchase		0.00	(1,924,728.00)	(1,924,728.00)
BALANCE	Purchase	3,243,157.46			3,243,157.46
	Lease Purchase		4,940,378.31		4,940,378.31

Fund(s): Gas, General, Engineering, Maintenance Service, Facilities Maintenance Services & Municipal Information System.

Comments: Funding for the purchase of vehicles, in the amount of \$1,077,464.00, is available in the Capital Outlay Budget of the Maintenance Service Fund and Municipal Information System Fund for FY 2013-2014. Funding for the lease-purchase of vehicles is requested in the FY 2014-2015 budget. The vehicles will be delivered and paid for in FY 2014 -2015; therefore, no funds are required in this fiscal year.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation.