



AGENDA MEMORANDUM

Action Item for the City Council Meeting May 21, 2024

DATE: May 21, 2024
TO: Peter Zanoni, City Manager
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Repair of City Owned Equipment

CAPTION:

Motion ratifying the repair of a 2017 Gradall XL3100 in the amount of \$63,390.66 and authorizing payment thereof to Waukesha Pearce Industries, LLC of Houston, Texas, with FY 2024 funding from the Storm Water Fund.

SUMMARY:

Motion authorizes the payment of \$63,390.66 for parts and labor to Waukesha Pearce Industries to repair and rebuild the engine for the City owned 2017 Gradall XL3100, unit number 4898.

BACKGROUND AND FINDINGS:

In July 2023 Public Works (PW) identified for repair, Unit 4898, a 2017 Gradall XL3100, and delivered the unit to Asset Management – Fleet (AM). After inspection of the vehicle, the heavy equipment foreman determined that the vehicle needed a new engine or a rebuild of the existing engine. The foreman received an initial quote for less than \$50,000 for a new engine replacement. That vendor could not obtain a new engine, which they tried to acquire through the current vendor, Waukesha Pearce Industries (WPI), and they withdrew the quote. WPI is the only area-authorized dealer for Gradall equipment and parts. The foreman obtained a second quote, which was for an engine rebuild from WPI, and sent the second quote (for \$64,000) to PW for review. In August 2023 PW approved the repair and quote and provided an accounting string to pay for the repairs. AM executed the agreement with WPI and the vendor proceeded with the repairs. In January 2024 WPI completed the repairs, and the cost of the repairs totaled \$63,390.66. In February 2024 the vendor submitted a request for payment and at that time the

AM operations team realized that the agreement was executed outside of City procurement policy procedures.

PROCUREMENT DETAIL:

This purchase is requested to be authorized under statutory exemption 252.022(a)(3) a procurement necessary because of unforeseen damage to public machinery, equipment, or other property.

The vendor has completed repairs to the vehicle and delivered the vehicle to the City. Asset Management has received a payment request from the vendor and is currently withholding payment until authorized to release payment.

Finance & Procurement and Asset Management leadership met and reviewed the procedures for emergency repairs and have put into place additional safeguards to ensure proper authorization is received before the notice to proceed with repairs is issued.

ALTERNATIVES:

The alternative would be to allow the invoice to go into default and collections which would open the City to legal liabilities. This could impact the City's ability to obtain services and parts directly from WPI and increase the cost of future repairs for City owned equipment.

FISCAL IMPACT:

The FY 2024 fiscal impact of this purchase totals \$63,390.66 funded through Storm Water Fund.

FUNDING DETAIL:

Fund:	4300
Organization/Activity:	32003
Department:	47
Project# (CIP Only):	N/A
Account:	530100

RECOMMENDATION:

Staff recommends approval of this item as presented.

LIST OF SUPPORTING DOCUMENTS:

Exhibit 1 Invoice