



AGENDA MEMORANDUM

Action Item for the City Council Meeting April 26, 2022

DATE: April 26, 2022

TO: Peter Zanoni, City Manager

FROM: Charles Mendoza, Director of Asset Management
CharlesM2@cctexas.com
(361) 826-1941

Josh Chronley, Assistant Director of Finance-Procurement
JoshC2@cctexas.com
(361) 826-3169

Combined Nine Vehicles and Equipment Procurement

CAPTION:

Resolution authorizing the acquisition of nine vehicles and equipment by various departments, of which seven units will be outright purchases and two units will be lease purchases through JP Morgan, for a total of \$1,824,907.19 with such items to be acquired in the manner, at the amounts, and from the sources stated with FY 2022 funding in the amount of \$1,523,850.99.

SUMMARY:

Resolution authorizes the acquisition of a total of nine vehicles and equipment by various departments. All nine units are purchased through BuyBoard, H-GACBuy and, Sourcewell cooperatives with seven units will be outright purchases and two units will be lease purchases.

BACKGROUND AND FINDINGS:

Gas Department is authorized to purchase one JCB 940 Forklift 4X4 from Hlavinka Equipment Co. for a total amount of \$118,932.42 with FY 2022 funding from the Fleet Equipment Replacement Fund. The forklift identified in this section will be acquired through the BuyBoard COOP Cooperative.

Public Works is authorized to purchase one John Deere 60G Mini Excavator from Doggett Heavy Machinery Services for a total amount of \$95,375.71 with FY 2022 funding from the Fleet Equipment Replacement Fund. The excavator identified in this section will be acquired through the Sourcewell Cooperative.

Solid Waste is authorized to acquire by lease-purchase, via JP Morgan, one G&H 1700L Pup Trailer from BTE Body Co. Inc. for a total amount of \$116,448.39 with FY 2022 funding from the General Fund. The units identified in this section will be acquired through the BuyBoard COOP Cooperative.

Solid Waste is authorized to acquire by lease-purchase, via JP Morgan, one Western Star 4700 with 4000GL water tank from Lonestar Truck Group Abilene for a total amount of \$211,976.55 with FY 2022 funding from the General Fund. The water tank truck identified in this section will be acquired through the BuyBoard COOP Cooperative.

Utilities Department is authorized to purchase four Freightliner 12YD Sludge Dump Trucks from Houston Freightliner Inc. for a total amount of \$740,899.32 with FY 2022 funding from the Fleet Equipment Replacement Fund. The dump trucks identified in this section will be acquired through the HGAC Cooperative.

Utilities Department is authorized to purchase one Grove RT540E Crane Truck from Anderson Machinery Co. for a total amount of \$541,274.80 with FY 2022 funding from the Fleet Equipment Replacement Fund. The crane truck identified in this section will be acquired through the BuyBoard COOP Cooperative.

PROCUREMENT DETAIL:

This procurement is through the BuyBoard Purchasing Cooperative ("BuyBoard"), H-GACBuy Cooperative and Sourcwell cooperatives. Contracts awarded through the above-mentioned cooperatives have been competitively procured in compliance with Texas local and State procurement requirements.

Procurement staff have modified their business practices and taken a pro-active approach to our vehicle procurement process and used all resources available to ensure vehicles and equipment can be sourced and delivered in a timely manner using economically favorable methods.

The FY 2022 budget includes 373 new and replacement vehicles. With the approval of this item a total of 82% or 305 units will have been procured to-date for FY 2022.

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 lose of productive man-hours due to more frequent maintenance issues.

FISCAL IMPACT:

The FY 2022 fiscal impact of these purchases total \$1,523,850.99 funded by various department funds. The remaining balance of \$301,056.20 for the lease purchase items will be funded through the annual budget process. The interest rate for the lease purchased items are 5.90% for the Pup Trailer and 6.40% for the Water Truck for a total cost of \$328,424.94 and a term of 60 months.

FUNDING DETAIL:

Various

RECOMMENDATION:

Staff recommends approval of this item as presented.

LIST OF SUPPORTING DOCUMENTS:

Resolution

Exhibit 1 Spreadsheet

Exhibit 2 Spreadsheet