



AGENDA MEMORANDUM
for the City Council Meeting of July 31, 2012

DATE: 7/31/2012

TO: Ronald L. Olson, City Manager

FROM: Michael Barrera, Assistant Director of Financial Services
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Jim Davis, Director of General Services
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Heavy Trucks

CAPTION:

Motion approving the lease-purchase of eleven (11) heavy trucks and the purchase of four (4) heavy trucks for the total amount of \$1,523,536.00, of which \$388,110.00 is required for the remainder of FY 2011-2012. The heavy trucks are awarded to the following companies for the following amounts in accordance with Bid Invitation No. BI-0175-12, based on lowest responsible bid. Funding for the purchase of the heavy trucks is available in the Capital Outlay Budget of the Fleet Maintenance Services Fund. Financing for the lease-purchase of the heavy trucks will be provided through the City's lease/purchase financing contractor.

Santex Truck Center, LTD
San Antonio, TX
Items 1, 2, 3, 5, 6, 8, & 9
\$1,374,139.00

Grande Truck Center
San Antonio, TX
Items 4 & 7
\$149,397.00

Grand Total: \$1,523,536.00

BACKGROUND AND FINDINGS:

All 15 heavy trucks are replacement units to the fleet. These heavy trucks will be used by the Street, Gas, Storm Water, Water, and Parks & Recreation Departments.

ALTERNATIVES:

Award under Section 26 of Council Policies of the City of Corpus Christi's Code of Ordinances.

OTHER CONSIDERATIONS:

Although Santex Truck Center, Ltd. submitted the bid from their San Antonio office, they will be delivering and servicing the chassis from their Corpus Christi franchise located at 7745 IH-37 in Corpus Christi, TX. Additionally, with the exception of line item 3, all bodies and ancillary equipment will be installed by Truckers' Equipment located at 1501 N. Port Ave., Corpus Christi, TX.

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:

FISCAL YEAR:		Current Year		Future Years	TOTALS
		Purchase	Lease Purchase		
Budget	Purchase	4,542,792.71			4,542,792.71
	Lease Purchase		731,013.85	1,216,573.33	1,947,587.18
Encumbered/Expended amount as of 6/12/12	Purchase	(3,747,816.04)			(3,747,816.04)
	Lease Purchase		(731,013.85)		(731,013.85)
This Item	Purchase	(388,110.00)			(388,110.00)
	Lease Purchase		0.00	(1,216,573.33)	(1,216,573.33)
BALANCE	Purchase	406,866.67			406,866.67
	Lease Purchase		0.00		0.00

Comments: Funding for the purchase of heavy trucks, in the amount of \$388,110.00, is available in the Capital Outlay Budget of the Fleet Maintenance Services Fund for FY 2011-2012. Funding for the lease purchase of heavy trucks is requested in the FY 2012-2013 budget. The trucks will be delivered and paid for in FY 2012 -2013 and, therefore, no funds are required in this fiscal year.

Financing for the lease-purchase of heavy trucks is based on a sixty-month term with an estimated interest rate of 2.75% for an annual payment of \$243,314.64. The total estimated cost over the five-year period, including principal of \$1,135,426.00 and interest of \$81,147.33, is \$1,216,573.33. Funding is available through the General Fund.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation

Approvals: Veronica Ocañas, Assistant City Attorney
Jim Davis, Director of General Services
Constance Sanchez, Director of Financial Services
Eddie Houlihan, Assistant Director of Management and Budget
Oscar Martinez, Assistant City Manager
Troy Riggs, Assistant City Manager