



## AGENDA MEMORANDUM

Action Item for the City Council Meeting June 28, 2022

**DATE:** June 28, 2022

**TO:** Peter Zanoni, City Manager

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

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

### Combined 33 Vehicles and Equipment Procurement

#### **CAPTION:**

Resolution authorizing the acquisition of 33 vehicles and equipment by various departments, of which 20 units will be outright purchases and 13 units will be lease-purchases through JP Morgan, for a total of \$4,547,829.08, 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 \$2,176,626.65 and the balance of \$2,371,202.43 for the lease-purchase items subject to future budget approval and appropriations.

#### **SUMMARY:**

Resolution authorizes the acquisition of a total of 33 vehicles and equipment by various departments. There are 32 units to be purchased through BuyBoard and HGACBuy cooperatives of which 19 units will be outright purchases and 13 units will be lease purchases. The remaining unit will be purchased using the Local Government Code 252 exemption. We will be bringing another vehicle purchase for approval at the end of July.

#### **BACKGROUND AND FINDINGS:**

CCW-Wastewater is authorized to acquire by purchase (i) one Holden Equipment trailer from BTE Body Co., Inc. of Irving, Texas for a total amount of \$28,227.00 with FY 2022 funding from the Fleet Equipment Replacement Fund; (ii) two Freightliner M2-106 w 4K Crane from Houston Freightliner, Inc. of Houston, Texas for a total amount of \$388,628.00 with FY 2022 funding from

the Fleet Equipment Replacement Fund; (iii) two Freightliner M2-106 w 8K Crane from Houston Freightliner, Inc. of Houston, Texas for a total amount of \$415,479.44 with FY 2022 funding from the Fleet Equipment Replacement Fund; (iv) one Freightliner M2-106 w Svc Body from Houston Freightliner, Inc. of Houston, Texas for a total amount of \$166,438.72 with FY 2022 funding from the Fleet Equipment Replacement Fund; (v) three Hyster Forklifts from Biggs Equipment of Corpus Christi, Texas for a total amount of \$136,908.00 with FY 2022 funding from the Fleet Equipment Replacement Fund. Items (i) & (v) will be acquired through the BuyBoard Cooperative; items (ii), (iii), & (iv) will be acquired through the HGACBuy Cooperative.

CCW-Water is authorized to acquire by purchase (i) one Freightliner 12 Yd Dump Truck from Houston Freightliner of Houston, Texas for a total amount of \$183,300.35 with FY 2022 funding from the Water Fund; (ii) two Holden Equipment Trailer from BTE Body Co., Inc. of Irving, Texas for a total amount of \$56,454.00 with FY 2022 funding from the American Rescue Plan; (iii) one Holden Equipment Trailer from BTE Body Co., Inc of Irving, Texas for a total amount of \$28,227.00 with FY 2022 funding from the Fleet Equipment Replacement Fund. Item (i) will be acquired through HGACBuy Cooperative; items (ii) & (iii) will be acquired through BuyBoard Cooperative.

Gas Department is authorized to acquire by lease-purchase, via JP Morgan (i) one Freightliner Canopy Truck from Houston Freightliner Inc. of Houston, Texas for a total amount of \$176,388.83 from the Gas Fund. In addition, Gas Department is authorized to acquire by purchase (ii) three Holden Equipment Trailers from BTE Body Co., Inc. of Irving, Texas for a total amount of \$115,126.00 with FY 2022 funding from the Fleet Equipment Replacement Fund; (iii) one McElroy Line Tamer and Trailer from Cooper Supply, Inc. of Corpus Christi, Texas for a total amount of \$55,597.02 with FY 2022 funding from the Fleet Equipment Replacement Fund. Item (i) will be acquired through the HGACBuy Cooperative; item (ii) will be acquired through the BuyBoard Cooperative; and item (iii) will be acquired through the Local Government Code Chapter 252, Section 252.022(2) public health and safety.

Public Works-Storm Water is authorized to acquire by lease-purchase, via JP Morgan (i) two Holden Equipment Trailers from BTE Body Co., Inc. of Irving, Texas for a total amount of \$106,140.88 with funding from the Storm Water Fund; (ii) six Western Star Tractor Trucks from Lonestar Truck Group of Abilene, Texas for a total amount of \$1,121,001.77 with funding from the Storm Water Fund. Items (i) & (ii) will be acquired through the BuyBoard Cooperative.

Public Works-Streets is authorized to acquire by purchase three Western Star Tractor Trucks from Lonestar Truck Group of Abilene, Texas for a total amount of \$477,441.00 with FY 2022 funding from the Fleet Equipment Replacement Fund.

Solid Waste Department is authorized to acquire by lease-purchase, via JP Morgan (i) one Trommel Screen from Ecoverse Industries LTD of Avon, Ohio for a total amount of \$ 441,387.65 with funding from the General Fund; (ii) one Freightliner RS3 from Houston Freightliner, Inc of Houston, Texas for a total amount of \$273,000.54 with funding from the General Fund; (iii) one 18 Yd Dump Truck from Lonestar Truck Group of Abilene, Texas for a total amount of \$ 205,376.79 with funding from the General Fund; (iv) one Western Star Tractor Truck from Lonestar Truck Group of Abilene, Texas for a total amount of \$ 172,706.09 with funding from the General Fund. Items (i) and (ii) will be acquired through HGACBuy cooperative; Item (iii) and (iv) will be acquired through BuyBoard cooperative.

### **PROCUREMENT DETAIL:**

This procurement is through the BuyBoard and HGACBuy 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. The approval of this item represents a total of 90% or 339 units 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 loss of productive man-hours due to more frequent maintenance issues.

### **FISCAL IMPACT:**

The FY 2022 fiscal impact of these purchases total \$2,176,626.65 funded by various department funds. The remaining balance of \$2,371,202.43 for the lease purchase items will be funded through the annual budget process. The interest rate for the lease purchased items 6.40% for a total cost of \$371,265.23, 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