



AGENDA MEMORANDUM

First Reading for the City Council Meeting of March 19, 2019
Second Reading for the City Council Meeting of March 26, 2019

DATE: March 19, 2019

TO: Keith Selman, Interim City Manager

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Heavy Equipment Purchase for Utilities

CAPTION:

Ordinance appropriating \$222,475 from the Fleet Fund Future Replacement Reserve; amending the FY2018-2019 operating budget adopted by Ordinance 031548 to increase expenditures; and approving the purchase of John Deere heavy equipment from Doggett Heavy Machinery of Corpus Christi, Texas, via BuyBoard for a total amount not to exceed \$1,459,287.

PURPOSE:

This item is to approve the purchase of 15 pieces of heavy equipment for the Utilities Water, Storm Water and Waste Water Departments.

BACKGROUND AND FINDINGS:

The Utilities Department currently has a requirement to replace four backhoe loaders, four compact excavators, two-wheel loaders, two excavators, two skid steer loaders and one crawler dozer. These 15 pieces of heavy equipment represents approximately 3% of the Water Utilities fleet. The units being replaced are used on a daily basis in the maintenance and operation of the Water Utilities for critical maintenance and repair of damaged water and wastewater infrastructure.

The units to be replaced are well past the end of their service lives. All units being replaced, with the exception of two compact excavators, are over 9 years old. The two compact excavators are four and six years old but are incurring significant downtime due to repairs from heavy use.

Contracts awarded through the BuyBoard Purchasing Cooperative have been competitively procured, in compliance with Texas local and state procurement requirements.

ALTERNATIVES:

N/A

OTHER CONSIDERATIONS:

Not applicable

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:

Asset Management
Utilities

FINANCIAL IMPACT:

X Operating Revenue Capital Not applicable

Fiscal Year: 2018-2019	Current Year	Future Years	TOTALS
Line Item Budget	\$8,148,237.36	\$0.00	\$8,148,237.36
Encumbered / Expended Amount	\$5,367,345.22	\$0.00	\$5,367,345.22
This item	\$1,459,287.00	\$0.00	\$1,459,287.00
BALANCE	\$1,321,605.14	\$0.00	\$1,321,605.14

Fund(s): Fleet Maintenance 5110-40120-202-550020

Comments: Appropriating \$222,475 from the Fleet Fund Future Replacement Reserve and appropriated in the Equipment Purchase expenditure Org. 40120 in Fleet Fund No. 5110 for the purchase of John Deere heavy equipment from Doggett Heavy Machinery. These funds are added to the \$1,236,812 available in Fleet Fund No. 5110 for the same purpose.

RECOMMENDATION:

Staff recommends approval of the action as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet