



AGENDA MEMORANDUM

Action Item for the City Council Meeting of July 23, 2019

DATE: July 23, 2019

TO: Peter Zaroni, City Manager

FROM: Bill Mahaffey, Director of Gas Operations
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Rental of Trucks for Utilities and Gas Department

CAPTION:

Motion authorizing a one-year service agreement for rental of nine pickup trucks (half-ton), plus contingency vehicles to be used on a daily or weekly basis when needed, with United Rentals, Inc. of Corpus Christi, Texas, for an amount not to exceed \$113,361.10, with one additional one-year option for a total potential multi-year amount not to exceed \$226,722.20, with the first-year funding through the Water, Wastewater, and Gas Funds. The trucks will be used by Gas Department and Water Utilities Department to meet daily operational requirements while production and delivery of newly purchased replacement vehicles transpires.

PURPOSE:

This service agreement is for monthly rental of nine trucks for the Gas Department and the daily/weekly rental, as needed, for the Utilities Department.

BACKGROUND AND FINDINGS:

These trucks are needed to meet operational requirements. These vehicles are used primarily to transport staff and equipment to various job sites. The Gas Department will rent nine trucks on a monthly rental, until such time that the vehicles on the capital outlay list can be purchased and received. The Utilities Department will utilize the daily and

weekly rentals, on an as needed basis, mainly while its vehicles are being serviced.

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

ALTERNATIVES:

Not applicable

OTHER CONSIDERATIONS:

We are reviewing and will improve our Fleet Replacement Program to reduce the age of our fleet and ultimately the need for contracts such as this.

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:

Gas Department
Utilities Department

FINANCIAL IMPACT:

X Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2018-2019	Current Year	Future Years	TOTALS
Line Item Budget	\$241,683.9	\$198,381.93	\$440,065.83
Encumbered / Expended Amount	\$149,279.17	\$0	\$149,279.17
This item	\$28,340.27	\$198,381.93	\$226,722.2
BALANCE	\$64,064.46	\$0	\$64,064.46

Funding Detail:

Fund: 4130 Gas
Organization/Activity: 34130 Gas Construction
Mission Element: 022 Gas Distribution System
Project # (CIP Only): N/A
Account: 530160 Rentals

Fund: 4200 Wastewater
Organization/Activity: 33110 Oso Wastewater Plant
Mission Element: 064 Treat wastewater

Project # **(CIP Only)**: N/A
Account: 530160 Rentals

Fund: 4010 Water
Organization/Activity: 31010 Stevens Filter Plant
Mission Element: 062 Treat water
Project # **(CIP Only)**: N/A
Account: 530160 Rentals

RECOMMENDATION:

Staff recommends approval of the action as presented

LIST OF SUPPORTING DOCUMENTS:

Service Agreement
Price Sheet