



City of San Antonio

Agenda Memorandum

File Number:13-803

Agenda Item Number: 9.

Agenda Date: 11/7/2013

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: All

SUBJECT:

Automated Side Load Refuse Trucks

SUMMARY:

This ordinance authorizes acceptance of an offer with Chastang Enterprises, Inc. to provide 33 automated side load refuse trucks to the City of San Antonio for a total cost of \$10,197,627.00. Of this amount \$1,854,114.00 will be paid through a Tax-Exempt Lease Purchase Agreement, or other financial obligations, contingent on the execution of a lease program schedule or other issuance approved by subsequent Ordinance, and the balance of \$8,343,513.00 will be funded from the Equipment Renewal and Replacement Fund (ERRF). Vendor payments for this Tax-Exempt lease Purchase Agreement are anticipated to be paid from the 2014 Equipment Acquisition Fund-SWMD. Debt payments for this Tax-Exempt Lease Purchase Agreement will be made from the Solid Waste Operating Fund.

BACKGROUND INFORMATION:

Submitted for City Council consideration and action is the attached tabulation of two offers for the purchase of 33 automated side load refuse trucks consisting of an Autocar ACX 64 Xpeditor cab and chassis with a 28 plus cubic yard, high compaction Heil Durapak Python refuse collection body. These refuse vehicles will be used by the Solid Waste Management Department (SWMD) for collecting curbside refuse, recyclables and organic materials from City residents. Twenty-seven of the automated side load refuse trucks are replacement vehicles and will be funded through the Equipment Renewal and Replacement Fund while the remaining 6 trucks are additional units to the SWMD's refuse fleet and will be funded through the SWMD's Operating Fund paid through a Municipal Lease for a total cost of \$10,197,627.00. The low offer was submitted by Chastang Enterprises, Inc.

The SWMD has 148 automated side load refuse trucks in its fleet. Currently, the SWMD operates 44

automated side load refuse trucks which consist of an Autocar ACX cab and chassis with Heil body. In an effort to standardize the refuse vehicle fleet to the extent possible, this acquisition is consistent with other units currently operating in their fleet. This standardization for this unique equipment is necessary for the safety of end users and the public. In addition, the operators are familiarized and trained with the same equipment. Maintaining a streamlined fleet with the same manufacturer for automated refuse trucks is also beneficial for reducing the number of repair contracts, stocking of parts, and increases fleet availability for refuse collection services.

Vendors are invited to provide refuse collection trucks to the SWMD for testing and evaluation. Equipment operators and maintenance personnel are able to evaluate the equipment and submit comments and feedback in a focus group setting. Based upon equipment tests conducted to date, the Autocar cab and chassis with a Heil body is the preferred refuse collection truck.

Alternative Fuels: Compressed Natural Gas (CNG) powered refuse trucks are available in the marketplace and the City of San Antonio is currently operating 30 CNG powered refuse trucks. The purchase of any additional CNG trucks is not feasible at this time because the City does not have the infrastructure to support their operation.

Vehicles and equipment that meet their expected life cycle are usually sold at auction but are sometimes traded-in to the selling dealer. If the Fleet asset is in the ERRF then the proceeds are returned to the fund. The proceeds are then used to purchase new similar vehicles and equipment for the same department that operated the sold fleet asset. The equipment being replaced will be sold.

ISSUE:

This contract will provide 33 automated side load refuse trucks for the SWMD. The life expectancy for these vehicles is 96 months. The automated side load refuse truck's cab and chassis have a one year warranty, engines have a two year warranty, transmissions have a five year warranty and the refuse bodies have a three year warranty.

The Small Business Economic Development Advocacy Ordinance requirements were waived due to the lack of qualified SMWBE's available to provide the goods and services.

The recommended award is an exception to the Local Preference Program.

ALTERNATIVES:

All of the replaced equipment has met or will meet its age or mileage requirement cycles before replacement. The replacement date is considered the optimum time for replacement as delaying the acquisition could make the vehicles no longer economically feasible to repair and could lead to the SWMD's inability to provide essential services to the residents of San Antonio. Four of the additional refuse trucks will be used for the organics program and two additional units are to service an area of approximately 10,500 homes which had been serviced by an outside contractor. Those residents are now serviced by SWMD crews.

FISCAL IMPACT:

The total cost of this contract is \$10,197,627.00 of which \$1,854,114.00 will be paid through a Tax-Exempt Lease Purchase Agreement, or other financial obligations, contingent on the execution of a lease program schedule or other issuance approved by subsequent Ordinance, and the balance of \$8,343,513.00 will be funded from the ERRF. Vendor payments for this Tax-Exempt lease Purchase Agreement are anticipated to be paid

from the 2014 Equipment Acquisition Fund-SWMD. Debt payments for this Tax-Exempt Lease Purchase Agreement will be made from the Solid Waste Operating Fund.

The ERRF charges a monthly lease rate to each respective department/fund the entire time a department/fund has possession of a vehicle or equipment. When the vehicle or equipment reaches the end of its life-cycle or the contractually obligated period, the replacement fund provides the financial resources for its like replacement.

The replacement of these units is consistent with the City's vehicle replacement program. Moreover, these new vehicles will be placed in the ERRF upon entry into service.

RECOMMENDATION:

Staff recommends the approval of a contract with Chastang Enterprises, Inc. for a total cost of \$10,197,627.00. This contract was procured on the basis of a Public Health or Safety exemption and does not require a Contracts Disclosure Form.