



City of San Antonio

Agenda Memorandum

File Number: 18-2523

Agenda Item Number: 7.

Agenda Date: 4/19/2018

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Purchase of Brush Tractor Trucks and Trailers

SUMMARY:

This ordinance authorizes the acceptance of a contract with Santex Truck Centers to provide forty-five (45) replacement tractor trucks, thirty-seven (37) replacement brush trailers, four (4) additional tractor trucks, and four (4) additional mulch trailers for a total contract value of \$7,344,359.00 over a two year period.

Funding for the four (4) additional tractor trucks and four (4) additional mulch trailers in the amount of \$653,424.00 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.

The FY 2018 funding for twenty-one (21) replacement tractor trailers and thirteen (13) brush trailers in the amount of \$2,831,663.00 is available from the FY 2018 Equipment Renewal and Replacement Fund (ERRF) budget. Additional purchases from this contract would be subject to the appropriation of subsequent annual funding.

BACKGROUND INFORMATION:

Submitted for City Council consideration and action is the attached tabulation of six bids to provide Solid Waste Management Department (SWMD) with forty-five (45) replacement tractor trucks, thirty-seven (37) replacement brush trailers, four (4) additional tractor trucks, and four (4) additional mulch trailers for a total contract value of \$7,344,359.00 over a two year period.

This contract will provide SWMD with replacements for twenty-one (21) tractor trailers and thirteen (13) brush trailers in FY 2018. Funding for this purchase is available from the ERRF in the amount of \$2,831,663.00. This contract will also provide SWMD with four (4) tractor trucks and four (4) mulch trailers in FY 2018 that are additional units to the City's fleet. Funding for this purchase will be 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 in the amount of \$653,424.00.

Lastly, this purchase will provide SWMD with replacements for twenty-four (24) tractor trucks and twenty-four (24) brush trailers in FY2019. Funding for this purchase in the amount of \$3,859,272.00 is subject to appropriation of funds.

The replacement equipment will be utilized by SWMD for the collection of brush and bulky collections. The four (4) tractor trucks and four (4) mulch trailers are additional units to the City's fleet and will be utilized by SWMD for the transportation of mulch and organics throughout the City.

ISSUE:

This contract will provide SWMD with forty-nine (49) tractor trucks, thirty-seven (37) brush trailers, and (4) mulch trailers over a two year period. Forty-five (45) tractor trucks and thirty-seven (37) brush trailers are replacement units. Purchase of four (4) tractor trucks and four (4) mulch trailers are additional units to the City's fleet. Funding for this purchase will be 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.

The replacement of these units is consistent with the City's Equipment Renewal and Replacement Fund (ERRF) program.

The life expectancy of all the equipment is 96 months.

The tractor truck cabs and chassis have an unlimited mileage warranty, the engine is covered by a two year/250,000 mile warranty and the transmission is covered by a three year/unlimited mileage warranty. The rear ejection horizontal discharge brush trailers are covered by a one year parts and labor and five year warranty on the hydraulics. The walking floor trailers are covered by one year parts and labor 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 low bid is recommended for award to Santex Truck Centers, a local business. In accordance with the Local Preference Program, application of the local preference program was not required.

The Veteran-Owned Small Business Program does not apply to goods/supplies contracts, so no preference was applied to this contract.

ALTERNATIVES:

Should this contract not be approved, the SWMD's ability to provide essential services to the residents of San Antonio could be affected. The forty-five (45) tractor trucks and thirty-seven (37) brush trailers are

replacements for equipment that 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.

The four (4) tractor trucks and four (4) mulch trailers which are additional units to the city's fleet will be utilized by SWMD for the expansion the organic materials collection program for the transportation of mulch and organics throughout the City.

FISCAL IMPACT:

This ordinance authorizes the acceptance of a contract with Santex Truck Centers to provide forty-five (45) replacement tractor trucks, thirty-seven (37) replacement brush trailers, four (4) additional tractor trucks, and four (4) additional mulch trailers for a total contract value of \$7,344,359.00 over a two year period.

Funding for the four (4) additional tractor trucks and four (4) additional mulch trailers in the amount of \$653,424.00 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.

The FY 2018 funding for twenty-one (21) replacement tractor trailers and thirteen (13) brush trailers in the amount of \$2,831,663.00 is available from the FY 2018 Equipment Renewal and Replacement Fund (ERRF) budget. Additional purchases from this contract would be subject to the appropriation of subsequent annual funding.

RECOMMENDATION:

Staff recommends the approval of this contract with Santex Truck Centers in the amount of \$7,344,359.00 for FY2018 and FY2019.

This contract was procured on the basis of low bid and a Contracts Disclosure Form is not required.