



City of San Antonio

Agenda Memorandum

File Number: 15-1048

Agenda Item Number: 5.

Agenda Date: 1/29/2015

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Automated Side Load Refuse and Rear Load Refuse Trucks

SUMMARY:

This ordinance authorizes contracts with Grande Truck Center to provide 36 automated side load refuse trucks and Doggett Freightliner of South Texas to provide 5 rear load refuse trucks to the City of San Antonio. The total cost of this contract is \$11,427,684.00 of which \$2,805,543.00 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 \$8,622,141.00 will be funded from Equipment Renewal Replacement Fund (ERRF). Vendor payments for this Tax-Exempt lease Purchase Agreement are anticipated to be paid from the 2015 Equipment Acquisition Fund-SWMD. Debt payments for this Tax-Exempt Lease Purchase Agreement will be made from the Solid Waste Operating Fund. This action appropriates funds of \$878,130.00 in the ERRF and \$295,799.00 in the Solid Waste Operating Fund.

BACKGROUND INFORMATION:

The Solid Waste Management Department (SWMD) is currently operating 154 side load refuse trucks and 39 rear load refuse trucks in its fleet.

- A. Submitted for City Council consideration and action is the attached from Grande Truck Center for the purchase of 18 automated side load refuse trucks. Nine of the trucks will consist of an Autocar ACX 64 Xpeditor cab and chassis with a Scorpion 30 cubic yard capacity automated side loader refuse collection body and nine will consist of an Autocar ACX 64 Xpeditor cab and chassis with a Heil Durapak Python 28 plus cubic yard capacity, high compaction, automated side loader refuse body. These refuse trucks will be placed in service by the Solid Waste Management Department for collections of curbside refuse and recyclables from City residences. Nine of the 18 trucks are replacement vehicles that will be

funded through the City of San Antonio's ERRF for a cost of \$2,634,390.00. The remaining nine trucks are additional units to the Solid Waste Management Department's refuse fleet that will be funded through the SWMD Operating Fund paid through a Municipal Lease for a cost of \$2,805,543.00.

- B. Submitted for City Council consideration and action is the attached offer from Grande Truck Center for the purchase of 18 automated side load refuse trucks. Nine of the trucks will consist of a Mack LEU 613 cab and chassis with a Scorpion 30 cubic yard capacity automated side loader refuse collection body and nine will consist of a Mack LEU 613 cab and chassis with a Heil Durapak Python 28 plus cubic yard, high compaction, automated side loader refuse body. These refuse trucks will be placed in service by the Solid Waste Management Department for collections of curbside refuse and recyclables from City residences. All 18 of the trucks are replacement vehicles that will be funded through the City of San Antonio's ERRF for a total cost of \$5,042,871.00.
- C. Submitted for City Council consideration and action is the attached offer from Doggett Freightliner of South Texas for the purchase of five rear load refuse trucks. The five rear load refuse trucks will consist of Freightliner M2-106 cab and chassis with a New Way King Cobra rear load refuse collection body. These refuse trucks will be placed in service by the SWMD for collection of curbside brush and organic materials from City residences. All five of the trucks are replacement vehicles that will be funded through the City of San Antonio's ERRF for a total cost of \$944,880.00.

Based on thorough research and knowledge of the industry, the Building and Equipment Services Department, Fleet Acquisitions Division could not identify any viable alternative fueled equipment that would be available to meet the current requirements.

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 at auction.

ISSUE:

These contracts will provide a total of 41 refuse trucks for the SWMD, of which 27 trucks are replacement automated side load refuse trucks, 9 additional automated side load refuse trucks, and 5 replacement rear load refuse trucks.

Of the 36 automated side load refuse trucks, 18 will consist of a Autocar cab and chassis and 18 will consist of a Mack cab and chassis; all 36 will be equipped with an automated side load refuse body. The 5 rear load refuse trucks will consist of Freightliner cab and chassis with a rear load refuse collection body.

The life expectancy for these vehicles is 72 months.

The refuse truck's cab and chassis has a one year warranty, the engine has a two year warranty, the transmission has a five year warranty. The side load refuse bodies have a three year complete warranty.

The rear load refuse truck's cab and chassis has a one year warranty, the rear load refuse body has a one year complete warranty and a two year warranty on the all hydraulic cylinders.

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 awards are to the lowest responsive offers, which are also local businesses. Therefore, application of the Local Preference Program was not required.

The Veteran-Owned Business Program does not apply to good/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. All of the equipment scheduled to be replaced 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. The nine additional units will be utilized for the expansion the organic materials collection program.

FISCAL IMPACT:

The total cost of this contract is \$11,427,684.00 of which \$2,805,543.00 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 \$8,622,141.00 will be funded from ERRF. Vendor payments for this Tax-Exempt lease Purchase Agreement are anticipated to be paid from the 2015 Equipment Acquisition Fund-SWMD. Debt payments for this Tax-Exempt Lease Purchase Agreement will be made from the Solid Waste Operating Fund.

This purchase accelerates the replacement of three automated side load refuse trucks. This ordinance will authorize the appropriation in the amount of \$878,130 in the ERRF FY 2015 Budget to fully fund the purchase of the three automated side load refuse trucks. An appropriation in the amount of \$295,799.00 is also authorized in the Solid Waste Fund FY 2015 Budget as a transfer to the ERRF to complete lease payments for the automated side load refuse trucks.

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 the contracts with Grande Truck Center and Doggett Freightliner of South Texas, LLC. to provide 41 refuse trucks for a total cost of \$11,427,684.00.

The contracts were procured on the basis of a Public Health or Safety exemption and Contracts Disclosure Forms are not required.