



# City of San Antonio

## Agenda Memorandum

**File Number:**14-989

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**Agenda Item Number:** 7.

**Agenda Date:** 5/29/2014

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** City Wide

**SUBJECT:**

Tractors and Various Attachments

**SUMMARY:**

This ordinance authorizes a contract with Deere & Company and Alamo Sales Corp. to provide the Transportation & Capital Improvements, Parks and Recreation, Solid Waste Management and Aviation Departments with fifteen turnkey tractors with various attachments for a total cost of \$1,285,214.96. Turnkey units include the tractor, components necessary to fasten various attachments and the attachment such as a mower, root grapple or front loader. Funding for this acquisition is made available from the Equipment Renewal and Replacement Fund and the Airport Operations Fund.

**BACKGROUND INFORMATION:**

Submitted for City Council consideration and action are the offers submitted by Deere & Company and Alamo Sales Corp. utilizing the Houston-Galveston Area Council (HGAC) contract GR01-12 to provide fifteen turnkey tractors and various attachments, Deere & Company in the amount of \$1,152,853.96 and Alamo Sales Corp. in the amount of \$132,361.00, for a total cost of \$1,285,214.96.

The offer submitted by Deere & Company and Alamo Sales Corp. utilizing HGAC contract GR01-12 will provide the Transportation & Capital Improvements Department with one turnkey four-wheel drive (4x4) tractor with a mid-mount boom mower and provide the Aviation Department with one turnkey two-wheel drive tractor with a flail mower for a total cost of \$249,655.23.

The offer submitted by Deere & Company utilizing HGAC contract GR01-12 will provide the Transportation & Capital Improvements Department with two turnkey four-wheel drive (4x4) tractors with 15' batwing mower

attachments and seven turnkey four wheel drive (4x4) tractors with 7' mower deck attachments; the Parks and Recreation Department with one turnkey four-wheel drive (4x4) tractor with 7' mower deck attachment, standard loader and root grapple; the Solid Waste Management Department with one turnkey four-wheel drive tractor with 15' batwing mower attachment; the Aviation Department with two turnkey two-wheel drive tractors with 20' batwing mower deck attachments for a total cost of \$1,035,559.73.

The tractors and various attachments will be purchased from Deere & Company and Alamo Sales Corp. utilizing the Houston-Galveston Area Council (HGAC) Contract GR01-12 and is made in accordance with the Houston-Galveston cooperative program passed on a Resolution 96-41-48 dated 10/10/1996. This cooperative provides competitive pricing when compared to previously issued bids. These tractors will compliment the current John Deere tractors and mowers in the City's fleet and will minimize training time for the operators.

Based on thorough research and knowledge of the industry, the Building and Equipment Services Department, Fleet Acquisitions Division did not identify any other viable alternative fueled equipment that would be available to meet the current requirements. These tractors are equipped with Interim Tier 4 engines which meet current emission regulations for off-road equipment.

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 City's ERRF then the proceeds are returned to the fund. The proceeds are then used to purchase new similar vehicles and equipment. The equipment that is being replaced will be sold.

Deere & Company provides a two year/2,000 hours warranty against defects in material or workmanship for the tractor; a one year warranty against defects in material or workmanship for the mowers and standard loader and a one year warranty against defects in material or workmanship for the root grapple if utilized in an agricultural capacity or 90 days in any other application. Alamo Sales Corp. provides a one year warranty against defects in material or workmanship for the mid-mount boom and flail mowers.

#### **ISSUE:**

The contracts will provide 15 turnkey tractors with various attachments to meet the needs of the Transportation & Capital Improvements, Parks and Recreation, Solid Waste Management and Aviation Departments. These are all replacement units to the City's fleet. These items will be used to cut grass and brush at City landfill areas, San Antonio International Airport property, along flood control channels and right-of-ways and maintenance of parks throughout the City of San Antonio.

All units will be placed into the City's Equipment Renewal and Replacement Fund upon entry into service except three turnkey units being purchased for the Aviation Department.

The Houston-Galveston Cooperative Program is administered by the Houston-Galveston Area Council of Governments. All products and services that are part of this cooperative have been competitively bid and awarded by the Cooperative's Board of Trustees based on the Texas Statutes.

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

The contracts are an exception to the Local Preference Program.

The Veteran-Owned Small Business Preference Program does not apply to goods/supplies contracts, so no

preference was applied to this contract.

**ALTERNATIVES:**

All of the replaced equipment has met or will meet its age or mileage requirement cycles before replacement. The replacement date is considered to the optimum time for replacement as delaying the acquisition could make the vehicles no longer economically feasible to repair and could lead to department's inability to provide services to the residents of San Antonio.

**FISCAL IMPACT:**

The purchase of these fifteen turnkey tractors with various attachments is for a total cost of \$1,285,214.96. The purchase will be funded through the Equipment Renewal and Replacement Fund for \$1,022,219.66 and the Airport Operations Fund for \$262,995.30.

The Vehicle and Equipment Replacement Fund charges a monthly lease rate to each respective department/fund and 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 vehicles is consistent with the City's vehicle replacement program.

**RECOMMENDATION:**

Staff recommends the acceptance of the offers from Deere & Company and Alamo Sales Corp. to provide fifteen turnkey tractors and various attachments for a total cost of \$1,285,214.96.

These contracts are procured by the means of a cooperative purchasing and a Contracts Disclosure form is not required.