



City of San Antonio

Agenda Memorandum

File Number:15-3367

Agenda Item Number: 7.

Agenda Date: 6/11/2015

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Heavy Equipment (1)

SUMMARY:

This ordinance authorizes acceptance of contracts with Marentco, Inc., d/b/a Tejas Equipment Sales, Briggs Equipment Co., Holt Cat, Associated Supply Company, H & E Equipment Services, Quality Equipment Co., and Waukesha-Pearce Industries to provide City departments with heavy equipment for a total cost of \$2,153,216.30. Funding for this purchase is available from the Equipment Renewal and Replacement Fund, Aviation Operations Fund, Transportation and Capital Improvements Department General Fund and Convention & Sports Facilities Fund.

BACKGROUND INFORMATION:

Submitted for City Council consideration and action is the attached bid tabulation of 10 bids to provide 16 pieces of heavy equipment for a total cost of \$2,153,216.30. This equipment will be utilized by the Aviation, Convention Sports and Entertainment Facilities, Parks & Recreation, Solid Waste Management and Transportation and Capital Improvements departments for various construction and/or repair projects throughout the City.

The bids were evaluated based on the specifications published in the Invitation for Bid. The low bids submitted for items 1, 2, 8, 9, 10 and 15 are recommended for award to Marentco, Inc., d/b/a Tejas Equipment Sales, Briggs Equipment Co., H & E Equipment Services, Quality Equipment Co., and Holt Cat, which are local businesses, therefore the application of the Local Preference Program (LPP) was not required. The low bid submitted by H&V Equipment Services, Inc. for Item 14 does not meet the minimum requirement for Tier IV

engine emissions and was deemed non-responsive. The low responsive bid was submitted by Waukesha-Pearce Industries, Inc., a local business, therefore application of the Local Preference Program (LPP) was not required. Items 3, 4, 6, 11, 12 and 13 were deleted and will be rebid at a later time.

In accordance with the LPP, Item 5 is recommended for award to Holt Cat, a local business whose bid is within 3% of the non-local bidder. The LPP award will result in an additional cost to the City in the amount of \$4,790.00. Item 7 is recommended for award to Associated Supply Company, a non-local business, since the local bidders were not within 3% of the recommended non-local bidder.

The table below summarizes Local Preference information regarding items 1 - 15:

Item Number	Item	Vendor	Local Award	Local Preference Applied	Cost Differential
1	Forklift, 6,000 lbs, LPG	Marentco, Inc.; d/b/a Tejas Equipment Sales	Yes	No	\$0.00
2	Forklift, 15,000 lbs, LPG	Briggs Equipment Co.	Yes	No	\$0.00
3	Asphalt/Concrete Saw	Deleted	N/A	N/A	\$0.00
4	Milling Machine Asphalt Planer	Deleted	N/A	N/A	\$0.00
5	8 Ton Double Drum Vibratory Roller	Holt Cat	Yes	Yes	\$4,790.00
6	Pneumatic, Articulated Tired Roller	Deleted	N/A	N/A	\$0.00
7	Articulated Tandem Roller with Two Vibratory Drums	Associated Supply Company	No	No	\$0.00
8	Articulated Tandem Roller with Two Vibratory Drums	H & E Equipment Services	Yes	No	\$0.00
9	Steering Skid Loader	Quality Equipment Co.	Yes	No	\$0.00
10	Steering Skid Loader	Quality Equipment Co.	Yes	No	\$0.00
11	Wheeled Loader	Deleted	N/A	N/A	\$0.00
12	Trailer Mounted Pressure Washer	Deleted	N/A	N/A	\$0.00
13	Trailer Mounted Self Feeding Brush Chipper	Deleted	N/A	N/A	\$0.00
14	Wheeled Excavator, Diesel	Waukesha-Pearce Industries	Yes	No	\$0.00

15	Motor Grader, Diesel	Holt Co.	Yes	No	\$0.00
Total					\$4,790.00

These contracts will provide 16 units to the City's fleet as follows: Aviation (1 each Skid Loader), Convention and Sports Facilities (2 each Fork Lifts), Parks and Recreation (1 each Roller), Solid Waste Management (1 each Motor Grader) and Transportation and Capital Improvements (3 each Rollers, 2 each Skid Loaders, 2 each Excavators, and 4 each Motor Graders).

Disposition of Equipment: Vehicles and equipment that meet their expected life cycle are usually sold at auction but may also be traded-in to the selling dealer. The equipment that is being replaced will be sold at auction. If the Fleet asset is in the City's fleet replacement program then the proceeds are returned to the Equipment Renewal and Replacement Fund (ERRF). The proceeds are then used to purchase new similar vehicles and equipment.

The Invitation for Bid (IFB) included Item 1 (6,000 lb. forklift) and Item 2 (15,000 lb. forklift) that will be fueled by Liquid Propane Gas (LPG). The remaining items are diesel powered. Based on thorough research and knowledge of the industry, the Building and Equipment Services Department could not identify any viable alternative fueled equipment that would be available to meet the current requirements.

ISSUE:

These contracts will provide 16 pieces of heavy equipment to meet the needs of five City departments. These include two forklifts, four vibratory drum rollers, three skid steer loaders with attachments, two wheeled excavators and five motor graders.

The units will be used by the departments for a variety of tasks to include: loading and off-loading of heavy materials, construction projects, roadway repairs, excavation, storm water infrastructure maintenance and additional projects throughout the City.

All units are covered by a minimum 12 months/unlimited hours or miles warranty that will start on the day each unit is placed into service. The life expectancy of this equipment units ranges from 96 to 120 months.

This contract is within the scope of the SBEDA Program. However, due to the type of commodities/services being procured and value of the contract, no SBEDA tool is available.

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

ALTERNATIVES:

The current units that are scheduled for replacement have met their age and/or mileage requirement cycles and are no longer economically feasible to repair. If the replacement equipment is not purchased, necessary field work may be compromised and thus create the potential of delays in delivery of essential services to the residents of San Antonio. The alternative is to continue to use the heavy equipment currently in service and incur increasing maintenance costs and downtime.

FISCAL IMPACT:

These contracts are for the purchase of 16 heavy equipment units for a total cost of \$2,153,216.30.

Twelve units are replacements to the City's fleet and will be funded through the City's Equipment Renewal and Replacement Fund (ERRF) for a cost of \$1,977,636.42.

One unit will be funded by the Aviation Operation Fund for a cost of \$48,579.60, one unit will be funded by Transportation and Capital Improvements Department General Fund for a cost of \$32,900.00 and two units will be funded by the Convention & Sports Facilities Capital Projects Fund for a cost of \$94,100.28 for a total cost of \$175,579.88.

The Equipment Renewal and Replacement Fund 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.

RECOMMENDATION:

Staff recommends the approval seven contracts to purchase 16 heavy pieces of heavy equipment from Marentco, Inc., d/b/a Tejas Equipment Sales in the amount of \$23,064.48; Briggs Equipment Co. in the amount of \$71,035.80; Holt Cat in the amount of \$1,111,745.00; Associated Supply Company in the amount of \$32,900.00; H & E Equipment Services in the amount of \$14,715.00; Quality Equipment Co. in the amount of \$126,802.52; and Waukesha-Pearce Industries in the amount of \$772,953.50.

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