



# City of San Antonio

## Agenda Memorandum

**File Number:**15-4502

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**Agenda Item Number:** 10.

**Agenda Date:** 9/10/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** City Wide

**SUBJECT:**

Purchase of Tractors

**SUMMARY:**

This ordinance authorizes a contract with Deere & Company to provide the Transportation & Capital Improvements and Solid Waste Management departments with ten tractors for a total cost of \$661,649.40. Funding for this acquisition is made available from the Equipment Renewal and Replacement Fund.

**BACKGROUND INFORMATION:**

Submitted for City Council consideration and action is the offer from Deere & Company utilizing the Houston-Galveston Area Council Cooperative (HGAC) contract number GR01-15 to provide ten tractors for a total cost of \$661,649.40.

This purchase will provide a total of ten replacement tractors for the Transportation & Capital Improvements and Solid Waste Management departments for a total cost of \$661,649.40. These tractors will be equipped with grass and brush mowers for the purpose of maintenance along flood control channels and right-of-ways throughout the City of San Antonio. The life expectancy of the tractors is 96 months.

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 tractors 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:**

The contracts will provide ten replacement tractors to meet the needs of the Transportation & Capital Improvements and Solid Waste Management departments. This equipment will be used in conjunction with mowers to cut grass and brush at City landfill areas, along flood control channels and right-of-ways throughout the City of San Antonio. The City issued an Invitation for Bid on 6/4/2015 and three bids received on 6/26/2015. Upon review of the bids, none of the tractors offered met all the published specifications and the bid was cancelled.

The vehicles will be purchased from Deere & Company utilizing the Houston-Galveston Area Council cooperative contract number GR01-15. This purchase will be made in accordance with the Houston-Galveston Cooperative Program passed on resolution 96-41-48 dated 10/10/1996.

The Houston-Galveston Cooperative Program is administered by the Houston-Galveston Area Council cooperative. 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 Texas statutes.

All tractors have a two year/2,000 hour warranty against defects in material or workmanship.

Due to the lack of small, minority, and/or women businesses available to provide these goods, the SBEDA Program did not apply to this solicitation.

This contract is an exception to the Local Preference Program.

The Veteran-Owned Small Business 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 be 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 timely services to the residents of San Antonio.

#### **FISCAL IMPACT:**

The purchase of these ten replacement units is for a total cost of \$661,649.40 and will be funded through the Equipment Renewal and Replacement Fund.

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 approval of offer from Deere & Company to purchase ten replacement units for a total cost of \$661,649.40.

This contract was procured on the basis of Houston-Galveston Area Council Cooperative (HGAC) and do not require a Contracts Disclosure Form.