



STAFF REPORT

DATE: November 13, 2018

TO: Ronald L. Olson, City Manager

FROM: Jonathan Locke, Executive Director of Finance

SUBJECT: Procurement of Fleet Replacement Vehicles and Equipment.

BACKGROUND AND FINDINGS:

Funding for the acquisition of replacement vehicles and equipment was approved as part of the City's FY 2018 and FY 2019 Budget processes. The Fleet Services division maintains an annual vehicle and equipment replacement schedule. The criteria used to establish this replacement schedule is based upon available funding, units per category, age, mileage/hours, repair costs, and department/division feedback. The annual fleet replacement budget for FY 2017 and FY 2018 was \$752,155 and \$4,444,596, respectively. The FY 2019 Budget includes \$4,613,300 for fleet replacement.

The following proposed vehicles and equipment will be utilized to support each department's mission and replace those that have exceeded their useful life. The procurements are listed below:

Department/Division	Description	Qty.	Approved
Drainage Utility Maint.	2019 John Deere 410L Backhoe	1	FY18
Drainage Utility Maint.	2019 John Deere 5100E Tractor w/cutter	1	FY18
Street Operations	2020 Freightliner/Bergkamp Pothole Patcher	1	FY19
Street Operations	2019 Ford F550 Service Truck	1	FY18
Street Operations	2019 Freightliner M2 106 Dump Truck	2	FY18 & 19
Street Operations	2019 Caterpillar 420F2IT Backhoe	1	FY19
Water & Sewer Ops.	2019 Chevy C5500 Service/Crane Truck	1	FY18
Fire	2019 Ram 4500 Ambulance Re-Chassis	2	FY19
Fire	2019 Ford Explorer Interceptor	5	FY19
Police	2019 Ford Explorer Interceptor	14	FY18
Police	2019 Ford Explorer Interceptor	11	FY19

The existing vehicles being replaced are on average 15 years of age and have an average of 160,000 miles.

THE ALTERNATIVES CONSIDERED:

- 1.) Defer replacement, which will cause the departments to operate in a reduced resource capacity, incur increased maintenance costs, and lose residual value in the existing vehicles.
- 2.) Replace the vehicles and equipment in order to provide safe and effective delivery of emergency and utility services and achieve the least cost of ownership.

Which alternative is recommended? Why?

The second alternative is recommended in order to meet the departments' mission and operate in the safest and most cost effective manner.

CONFORMITY TO CITY POLICY:

The City of Killeen is a member of several purchasing cooperatives that are in compliance with Texas Local Government Code section 271.102. Purchases made through a cooperative satisfy competitive bid requirements.

FINANCIAL IMPACT:

The five (5) year lease with purchase option pricing from RDO Equipment Co., with financing provided by John Deere Financial, for the Drainage Utility Maintenance backhoe utilizing the Sourcwell Cooperative is as follows:

Make/Model	Monthly Cost	Purchase Option	Total Cost 5-yr if Purchased
John Deere 410L	\$1,570.35	\$72,445.00	\$166,666.00

The purchase pricing from United Ag and Turf for the Drainage Utility Maintenance tractor and rotary cutter utilizing the Sourcwell Cooperative is as follows:

Make/Model	Total Cost
John Deere 5100E Tractor with John Deere CX15 Rotary Cutter	\$70,045.76

The purchase pricing from Freightliner of Austin for the Street Operations pothole patcher utilizing the TASB BuyBoard Cooperative is as follows:

Make/Model	Total
2020 Freightliner/Bergkamp Pothole Patcher Truck	\$190,636.00

The purchase pricing from Grande Truck Center for the Street Operations service truck utilizing the TASB BuyBoard Cooperative is as follows:

Make/Model	Total
2019 Ford F550 Service Body Truck	\$123,920.80

The purchase pricing from Freightliner of Austin for the two (2) Street Operations Dump Trucks utilizing the TASB BuyBoard Cooperative is as follows:

Make/Model	Cost/Unit	Total
2019 Freightliner M2 106 Dump Truck	\$101,175.70	\$202,351.40

The three (3) year lease with purchase option pricing from Holt Caterpillar, with financing provided by Caterpillar Financial Services Corp., for the Street Operations backhoe utilizing the Sourcewell Cooperative is as follows:

Make/Model	Monthly Cost	Purchase Option	Total Cost 3-yr if Purchased
Caterpillar 420F2IT	\$2,140.20	\$65,520.00	\$142,567.72

The purchase pricing from Caldwell Country for the Water & Sewer Operations service/crane truck utilizing the TASB BuyBoard Cooperative is as follows:

Make/Model	Total
2019 Chevy C5500 Service/Crane Truck	\$121,650.00

The purchase pricing from Mac Haik for the two (2) Fire Department ambulance chassis replacements and module refurbishments utilizing the HGAC Cooperative is as follows:

Make/Model	Cost/Unit	Total
2019 Dodge Ram 4500 Ambulance Re-Chassis	\$199,400.00	\$398,800.00

The purchase pricing from Silsbee Ford for five (5) Fire Department Ford Explorer Interceptors utilizing the Tarrant County Cooperative is as follows:

Make/Model	Fully Outfitted Cost/Unit	Total
2019 Ford Explorer Interceptor	\$39,945.00	\$199,725.00

The purchase pricing from Rockdale Country Ford for twenty-five (25) Police Department Ford Explorer Interceptors utilizing the TASB BuyBoard Cooperative is as follows:

Make/Model	Fully Outfitted Cost/Unit	Total w/BB Fee
2019 Ford Explorer Interceptor	\$62,594.00	\$1,565,250.00 *

*Includes \$400.00 BuyBoard fee

What is the amount of the expenditure in the current fiscal year? For future years?

Item	FY19
Drainage Utility Maintenance John Deere 410L Backhoe (5 Year Lease)	\$18,844.20/year
Drainage John Deere 5100E Tractor with John Deere CX15 Rotary Cutter	\$70,045.76
Street Operations 2020 Freightliner/Bergkamp Pothole Patcher Truck	\$190,636.00

Street Operations 2019 Ford F550 Service Body Truck	\$123,920.80
Street Operations 2019 Freightliner M2 106 Dump Trucks	\$202,351.40
Street Operations Caterpillar 420F2IT Backhoe (3 Year Lease)	\$25,682.40/year
Water & Sewer Operations 2019 Chevy C5500 Service/Crane Truck	\$121,650.00
Fire Department 2019 Dodge Ram 4500 Ambulance Re-Chassis	\$398,800.00
Fire Department 2019 Ford Explorer Interceptors	\$199,725.00
Police Department 2019 Ford Explorer Interceptors	\$1,565,250.00
Totals	\$2,916,905.50

Is this a one-time or recurring expenditure?

These are one-time expenditures.

Is this expenditure budgeted? If not, where will the money come from?

These expenditures are budgeted in the following accounts:

Division/Department	Year	Account	Cost	Available Funds
Drainage Utility Maintenance	2018	575-3448-434.44-10	\$18,845	\$18,845
Drainage Utility Maintenance	2018	375-3448-434.61-35	\$70,046	\$70,046*
Street Operations	2019	010-3445-434.44-10	\$25,683	\$25,683
Street Operations	2018	349-3445-434.61-10	\$225,097	\$225,097*
Street Operations	2019	349-3445-434.61-10	\$291,812	\$449,000
Water & Sewer Operations	2018	387-3420-438.61-10	\$121,650	\$121,650*
Fire Department	2019	349-7070-442.61-10	\$598,525	\$715,000
Police Department	2018	349-6000-441.61-10	\$876,516	\$876,516*
Police Department	2019	349-6000-441.61-10	\$688,734	\$1,074,500

*Budget for fleet approved in FY 2018 will be available following approval of budget amendment.

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes, per above available funds.

RECOMMENDATION:

Staff recommends that City Council approve the procurement of the fleet as stated above and that the City Manager or designee be authorized to execute any change orders as permitted by state and local law.

DEPARTMENTAL CLEARANCES:

Public Works Department
Fire Department
Police Department
Purchasing

Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

RDQ Quote
John Deere Quote
Freightliner Quotes
Grande Truck Center Quote
Caterpillar Quote
Caldwell Country Quote
Mac Haik Quote
Silsbee Ford Quote
Rockdale Country Quote
Certificate of Interested Parties