



City of Killeen

Legislation Text

File #: RS-23-070, **Version:** 1

Consider a memorandum/resolution authorizing change orders with Silsbee Ford for the total amount of \$225,278.

DATE: April 18, 2023
TO: Kent Cagle, City Manager
FROM: Judith Tangalin, Executive Director of Finance
SUBJECT: Authorization of Change Orders with Silsbee Ford

BACKGROUND AND FINDINGS:

As part of the approved FY 2022 and FY 2023 Fleet Replacement Program purchases, there were forty-nine (49) Police Interceptor patrol units quoted and ordered at 2022 model year pricing. Unfortunately, Ford Motor Company cut production of the last twenty-five (25) of those 2022 model year units and changed them to 2023 model years with higher pricing. These price increases affected two purchase orders (POs). Due to the PO price increases exceeding the \$50,000 limit, the change orders require City Council approval.

PO No. 223336, dated 6/9/22, and currently issued for \$756,816.20, contains ten (10) 2022 model year Interceptors that would increase by \$9,208.00 per unit for a total increase of \$92,080.00, reflecting a new PO total of \$848,896.20.

PO No. 230549, dated 10/18/22, and currently issued for \$1,837,472.23, contains fifteen (15) 2022 model year Interceptors that would increase by \$8,708.00 per unit for an increase of \$130,620.00, plus an additional \$2,578.00 to be added to the totaled/wrecked Interceptor replacement (because the existing light bar was unable to be reused) for a total PO increase of \$133,198.00, reflecting a new PO total of \$1,970,670.23.

The overall increase of both POs would be an additional \$225,278.00

THE ALTERNATIVES CONSIDERED:

- 1.) Reduce the total number of units ordered by three, which would cause the department to operate in a reduced resource capacity and incur additional repair and maintenance expense to units that are already overdue for replacement.
- 2.) Obtain approval for the additional funding to provide effective services.

Which alternative is recommended? Why?

The second alternative is recommended to meet the division's mission.

CONFORMITY TO CITY POLICY:

Purchases made through a cooperative contract are exempt from the competitive bidding process as stated in Texas Local Government Code (TLGC) section 271.102, subchapter F.

FINANCIAL IMPACT:

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

Department	FY 2023
Police	\$225,278.00
Total	\$225,278.00

The purchase pricing increase from Silsbee Ford utilizing The Interlocal Purchasing System (TIPS) Cooperative is as follows:

Make/Model	PO No.	Units	Cost Increase	Total Cost Inc.
Ford Explorer Interceptor	223336	10	\$9,208.00	\$92,080.00
Ford Explorer Interceptor	230549	15	\$8,708.00	\$130,620.00
Ford Explorer Interceptor - Totaled	230549	1	\$2,578.00	\$2,578.00
Total				\$225,278.00

Is this a one-time or recurring expenditure?

This is a one-time expenditure.

Is this expenditure budgeted?

Yes, upon approval of the mid-year budget amendment, funds will be included in the following account:

Department/Division	Account	Cost	Available Funds
Police	349-8860-493.61-10	\$225,278.00	\$225,278.00
Total		\$225,278.00	\$225,278.00

If not, where will the money come from?

N/A

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

Yes, upon approval of the mid-year budget amendment.

RECOMMENDATION:

City Council approve change orders with Silsbee Ford in the total amount of \$225,278.

DEPARTMENTAL CLEARANCES:

Police
Purchasing
Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

2022 Quote
2023 Quote
Change Order Form
Certificate of Interested Parties
Presentation