



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date:

E29693-H.A1 Purchase of Refuse Trucks - MOTION

Agenda Item#:

Background:

S38-E29693-H.A1 – Amend Council Motion 2020-0624 passed December 16, 2020 to increase the spending authority from \$2,358,090.00 to \$2,388,090.00 for the purchase of refuse trucks through the Interlocal Agreement for Cooperative Purchasing with the Houston-Galveston Area Council (H-GAC) for the Fleet Management Department on behalf of the Solid Waste Management Department.

Specific Explanation:

The Director of the Fleet Management Department and the Chief Procurement Officer recommend that City Council amend Council Motion 2020-0624, to increase the spending authority from \$2,358,090.00 to 2,388,090.00 for the upcharge for not exercising an early payment option for fifteen (15) refuse trucks for the Solid Waste Management Department through the Interlocal Agreement for Cooperative Purchasing with the Houston-Galveston Area Council (H-GAC) and that authorization be given to reissue a purchase order to **Chastang Enterprises, Inc. dba Chastang's Bayou City Autocar**. These refuse trucks will be used by the Solid Waste Management Department's personnel to collect residential garbage throughout the City of Houston.

The contractor for the truck chassis offered the City of Houston a \$2,000 per truck discount if the truck chassis is paid for upon its completion and prior to installation of the refuse body. This requires the City of Houston to accept delivery of the truck chassis without the truck chassis being delivered and inspected. In some cases, the completed refuse truck is delivered more than six months after the chassis has been paid.

The City of Houston incurs considerable risk when accepting delivery and paying for any rolling stock asset that has yet to be delivered. For the subject FY21 procurement of 15 refuse trucks, the City of Houston would have incurred additional risk due to potential plant closures and manufacturing delays resulting from the COVID pandemic and the well documented material shortages being experienced by automotive and truck manufacturers.

These new cabs and chassis will meet the EPA's current emission standards for vehicles with diesel engines. The cabs and chassis will come with warranties from one (1) to five (5) years/unlimited miles, two (2) years/250,000 miles on engines and four years/unlimited miles on the transmissions. The auto reach side loaders will come with a one-year warranty on the body structure and five (5) year warranty on the hydraulic cylinders. The life expectancy of the refuse truck is seven (7) years or 100,000 miles. These new refuse and recycling trucks will be replacing existing units that have reached their life expectancy and will be sent to auction for disposition.

M/WBE:

Zero-Percentage Goal Document approved by the Office of Business Opportunity.

Hire Houston First:

The procurement is exempt from the City's Hire Houston First Ordinance. Bids/proposals were not solicited because the department is utilizing an Interlocal Agreement for this purchase.

Fiscal Note:

No significant Fiscal Operating impact is anticipated as a result if this project.

9/24/2021

DocuSigned by:

Jerry Adams

**Jerry Adams, Chief Procurement Officer
Finance/Strategic Procurement Division**

DocuSigned by:

Gary Glasscock

9/27/2021

Departmental Approval Authority

Estimated Spending Authority			
DEPARTMENT	FY2022	OUT YEARS	TOTAL
Solid Waste Management Department	\$30,000.00	\$0	\$30,000.00

