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## City Council Regular Meeting

**DEPARTMENT:** Public Works

**FROM:** Eric Oscarson, Public Works Director

**MEETING:** December 12, 2022

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**SUBJECT:**

Consider approval of a contract for the purchase of fleet vehicles with Caldwell Country Chevrolet through the BuyBoard Cooperative in the amount not to exceed \$1,000,412.25. (*Staff Contact: Kip Dernovich, Deputy Director – Operations Public Works*)

**SUMMARY:**

The Public Works Department is responsible for the purchase, replacement, maintenance, and overall lifecycle management of the City's fleet. Purchasing and replacing fleet assets in a timely manner prevents the increased maintenance and indirect costs from exceeding the capital dollars saved by extending vehicle replacement. Indirect costs associated with delayed asset replacement include:

- Reduced employee efficiency and lost productivity
- Increased fleet size to compensate for higher out of service rates
- Increased accident rates or liability exposure

Given this, along with the fiscal magnitude and operational importance of the City of Burleson's vehicles and equipment, Equipment Services staff use six criteria to create an annual vehicle replacement schedule. The six criteria include: Age, Miles/Hours, Type of Service, Reliability, Maintenance and Repair Costs, as well as Condition. This method effectively determines the optimal time vehicles and/or equipment should be replaced. According to the City's Equipment Replacement Policy, assets will be replaced with a total score of 21 or higher.

The Approved Replacement Policy allows for discretion by Public Works to replace or retain items outside of the scorecard system. The assets belonging to the Police Department have been evaluated by Public Works and based on available data these items have been deemed in need of replacement. All other equipment has met replacement criteria.

All new equipment and additions requested in this action were planned in the budget process and approved in the Fiscal 2023 operating budget by City Council. Requested funding includes a 10% contingency due to the volatility of the automobile market (availability of vehicles / purchase of an equivalent model). To ensure that the quoted BuyBoard pricing is fair and competitive, Equipment Services staff reached out to four (4) vehicle dealerships (two (2) local and two (2) within the DFW area). Staff received three (3) no responses and one (1) local vehicle

dealership that stated they didn't have any vehicles the City was requesting on their lot and to order the vehicles would take more than one year.

The table below indicates the list of vehicles to be purchased in this fiscal year's budget.

| Vehicle                                 | Quantity | Unit Price  | Total Cost            |
|---|----------|-------------|-----------------------|
| <b>Replacement Vehicles</b>             |          |             |                       |
| <i>Police</i>                           |          |             |                       |
| Chevrolet Patrol Tahoe                  | 7        | \$74,649.25 | \$522,544.75          |
| <b>Sub-Total</b>                        |          |             | <b>\$522,544.75</b>   |
| <b>New Vehicles</b>                     |          |             |                       |
| <i>Police</i>                           |          |             |                       |
| Chevrolet Patrol Tahoe (Administration) | 1        | \$47,480.25 | \$47,480.25           |
| Chevrolet Tahoe (SRO)                   | 3        | \$74,649.25 | \$223,947.75          |
| Chevrolet Patrol Tahoe (Lieutenant))    | 1        | \$72,270.25 | \$72,270.25           |
| <i>Engineering</i>                      |          |             |                       |
| Chevrolet Silverado 1500 LTD 2WD        | 1        | \$42,495.25 | \$42,495.25           |
| <b>Sub-Total</b>                        |          |             | <b>\$386,193.50</b>   |
| BuyBoard Fee (Chevrolet)                | 2        | \$400.00    | \$800.00              |
| 10% Contingency                         | 1        | \$90,874.00 | \$90,874.00           |
| <b>Grand Total</b>                      |          |             | <b>\$1,000,412.25</b> |

The total amount of funding available through the FY2023 budget process for the purchase of fleet vehicles was \$927,500.00. The total cost of the fleet purchase is \$908,738.25. This equates to a savings of \$18,764.75. The contingency amount of \$90,874.00 will only be spent if required. The Equipment Replacement Fund has the capacity to absorb any necessary overages. Staff anticipate a delivery date of vehicles in late summer of 2023.

### **OPTIONS**

- 1) Approve a contract for the purchase of fleet vehicles with Caldwell Country Chevrolet through the BuyBoard Cooperative in the amount not to exceed \$1,000,412.25.
- 2) Deny a contract for the purchase of fleet vehicles with Caldwell Country Chevrolet through the BuyBoard Cooperative in the amount not to exceed \$1,000,412.25.

**RECOMMENDATION:**

Approval of a contract for the purchase of fleet vehicles with Caldwell Country Chevrolet through the BuyBoard Cooperative in the amount not to exceed \$1,000,412.25.

**FISCAL IMPACT:**

**Budgeted Y/N:** Y

**Fund Name:** Governmental Equipment Replacement Fund

**Full Account #s:** 502-8211-559

**Amount:** \$1,000,412.25

**Project (if applicable):**

**Financial**

**Considerations:**

**STAFF CONTACT:**

Name: Kip Dernovich

Title: Deputy Director – Operations Public Works

[kdernovich@burlesontx.com](mailto:kdernovich@burlesontx.com)

817-426-9842