

ROCHELLE CITY COUNCIL AGENDA ITEM MEMO REGULAR MEETING

SUBJECT: An ordinance waiving the competitive bidding requirement and awarding Brown Equipment Company the purchase order for three (3) used dump trucks.

Staff Contact: Tim Isley

Summary: On February 14th, 2022, Rochelle City Council approved the purchase and financing of \$490,550.51 at 1.5% for two new Kenworth dump trucks with snowplow packages. Due to widespread supply chain issues and material shortages, Kenworth has drastically reduced the number of accepted medium duty truck orders. At this time, Rochelle's order for two new Kenworth dump trucks has not been accepted. With lower truck production many truck and body vendors are not submitting bids to potential customers due to so many uncertainties and because they cannot guarantee pricing or delivery dates. On average, customers are waiting two and three years for delivery of a new truck and body package.

On 12/1/2022 Public Works staff met with CIT Trucks and Bonnell Industries for a status update of the two new dump trucks. At this time, it's estimated that the new trucks would not be delivered until sometime in 2024 with no guarantees. Recently, City staff reached out to vendors of other truck manufactures and body builders in search of quicker delivery times. Unfortunately, the average timeframe for delivery of a new medium duty truck regardless of the manufacture is two to three years.

While looking into other options, staff learned of six used Freightliner tandem axle trucks for sale and available for delivery by the end of December or beginning of January 2023. These trucks were purchased new in 2015 and 2016 by the City of Carmel Indiana and taken in on trade by Brown Equipment Company. Each of these tandem axle trucks have less than 20,000 miles and were used only for snow removal operations. These trucks are equipped with stainless steel dump bodies including 34" stainless steel conveyors, 12' front plows, 9' wing plows, Groundspeed salt controllers, and electric tarps.

City staff were some of the first to hear of these trucks coming up for sale and were the first to show interest in purchasing three of these tandem axle dump trucks with snowplow packages. Each truck is listed for \$145,000.00. This is approximately \$120,000.00 less than the cost of the new tandem axle dump truck with snowplow package that was approved by City Council. The total purchase price for the three (3) tandem axle dump trucks is \$437,000.00 including shipping. This is \$53,550.51 below the cost of two (2) new dump trucks approved by City Council on February 14th, 2022.

Although these trucks are used, they all have very low miles and have been very well maintained. The addition of these three (3) trucks will improve the average age of our medium duty fleet by 4.5 years. Other benefits of this purchase would include reducing maintenance and repair costs by selling three of our current dump trucks that are over 20 years old. lowering salt usage and expenses with electronic groundspeed salt controllers, improving efficiency with the addition of three wing plows, and increasing dependability in our medium duty truck fleet.

Funding Sources:

Source:	Budgeted Amount:	Proposed Expenditure:

Strategic Plan Goal Application: Short term routine – replacing infrastructure/assets.

Recommendation: Consider Approving an ordinance waiving the competitive bidding requirement and awarding Brown Equipment Company the purchase order for three (3) used dump trucks.