

**ROCHELLE CITY COUNCIL
REGULAR MEETING 02/14/2022
AGENDA ITEM NO. ?**

SUBJECT: AN ORDINANCE WAIVING COMPETITIVE BIDDING REQUIREMENT AND AWARDDING CIT TRUCKS THE PURCHASE ORDER FOR TWO DUMP TRUCKS

Staff Contact: Tim Isley

Summary: In 2019, City Council approved the purchase of two Kenworth single axle dump trucks with snowplow packages. This purchase has proven to be an excellent investment. Not only are we seeing improvements in dependability and performance, but we are also seeing nearly a 25% reduction in salt usage. In 2019 these trucks were financed through a local bank with an interest rate of 3.09%. This loan was paid off in January of 2022.

The City Manager has again solicited local banks to finance the purchase of two new dump trucks, and lock in historically low interest rates. Holcomb Bank has offered the lowest interest rate of 1.95% over a four-year term. The 2023-2026 Street Department capital outlay includes funds for annual payments of one new single axle dump truck and one new tandem axle dump truck. Each truck will be equipped with stainless steel hydraulic dump bodies and snowplow packages. The single axle dump truck is priced at \$230,085.87 and the tandem axle dump truck is priced at \$260,464.64 for a combined total cost of \$490,550.51.

Each year the cost of these trucks including the dump body and plow packages see an average increase of 5 percent. Financing two of these vehicles at the same time eliminates the annual increase of cost for one of these vehicles over a two-year period. This savings helps to offset the financed interest rate cost for the two new dump trucks. Another significant benefit to financing our dump trucks is a smaller up-front investment compared to an outright purchase. The proposed four-year finance agreement reduces the purchase costs to a more manageable annual expense and allows the rest of that funding to be used on other important capital projects throughout the City.

These new trucks will replace existing 2003 and 2005 International dump trucks. Replacing these dump trucks will reduce maintenance costs and down time as well as greatly reduce road salt costs by incorporating new spreader control technology.

The proposed vehicles are to be purchased through CIT Trucks LLC in Rockford, IL under Sourcewell procurement contracts (060920-KTC) and (080818 BNL). Sourcewell is a governmental unit providing competitively solicited cooperative contracts ready for use by governmental entities. Sourcewell's rigorous procurement process meets or exceeds all local and state purchasing requirements. (30 ILCS 525 /2)

Funding Sources:

Source: 2023-2026	Budgeted Amount:	Proposed Expenditure:
General fund 01-41-840	\$	\$

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

Recommendation: Approve a Resolution Waiving the Competitive Bidding Requirements and Authorizing the Purchase of order for Two (2) Dump Trucks from CIT Trucks, LLC

Supporting Documents:

2023 KW T480 Single Axle Dump Truck

2023 KW T480 Tandem Axle Dump Truck

Acceptance of Award Bonnell

Acceptance of Award Kenworth

Illinois Legal Reference

Sourcewell Solicitation Process

Resolution Waiving the Competitive Bidding Requirements and Authorizing the Purchase Order for Two (2) Dump Trucks from CIT Trucks, LLC