


## COUNCIL COMMUNICATION

 <p>CITY OF <b>DES MOINES</b> OFFICE OF THE CITY MANAGER</p>	Number:	<b>18-650</b>	Meeting:	<b>December 3, 2018</b>
	Agenda Item:	<b>30B</b>	Roll Call:	<b>18-1999</b>
	Submitted by:	<b>Bob Fagen, Finance Director</b>		

### AGENDA HEADING:

Approving the purchase of four (4) replacement truck chassis for use by the Street Maintenance Division of the Department of Public Works.

### SYNOPSIS:

Recommend approval of the purchase of four (4) tandem-axle conventional style cab heavy duty diesel truck chassis including optional seven (7) year engine and emission system warranties, and a \$600 per purchase order contract processing fee utilizing the Houston Galveston Area Council (HGAC) purchasing contract number HT06-18 for use by the Street Maintenance Division of the Department of Public Works from Housby Mack, Inc. 4747 NE 14<sup>th</sup> Street, Des Moines, IA 50313 (Kelly Housby, President), in the amount of \$486,032.

### FISCAL IMPACT:

Amount: \$486,032

Funding Source: 2018-2019 Operating Budget, page 42, I201, Equipment Replacement

### ADDITIONAL INFORMATION:

- The City of Des Moines is a member of the HGAC. HGAC is a national government-to-government cooperative purchasing program. HGAC establishes purchasing contracts nationwide on behalf of local governments, special districts and private non-profits providing a government service. HGAC's procurement process includes research, preparation of specifications, pre-bid and preproposal conferences, legal notice posting and advertising, bid/proposal review and contract execution.
- Future use of conventional style cab truck chassis – This recommended award for the replacement of four (4) conventional style cab truck chassis represents the second purchase of conventional style cab trucks. During the implementation of a five (5) year replacement plan a total of 21 trucks will be replaced with conventional style cab chassis. These four (4) replacements will be used in emergency snow and ice control operations with equipment awarded from previous Council action and be used in warm weather months for street maintenance.

- Fuel Efficiency and Reduced Idling – These heavy-duty chassis are powered by clean burning diesel engines utilizing up to 20% biodiesel fuel. The recommended truck chassis are equipped with engine control modules (ECM) that constantly capture and report idle time along with over 100 other engine operating parameters. In addition to measuring idle time, the system allows programming a maximum idle time without powering hydraulic systems. If the maximum time is reached, when the hydraulic equipment is not in use, the engine shuts off to reduce fuel consumption. Initially, trucks will be programmed for a maximum idle time of 10 minutes. Starting in the fall of 2018, the Fleet Services Division has installed telematics technology in 188 units in the Public Works vehicles. Those vehicles include refuse, sewer maintenance, and street maintenance/snow & ice control trucks. It is the intention of the Fleet Division to evaluate the idle times, compare the fuel efficiency of different engine sizes, and overall fleet needs. Replacement trucks are powered by heavy duty diesel engines for warm weather construction use and cold weather emergency snow and ice control operations, achieving reduced fuel consumption, compared to a typical medium duty engine, resulting in reduced engine repair costs, and provides a longer life cycle and results in lower life cycle costs when compared to a conventional cab chassis with a medium duty engine used in municipal operations.
- Residual value of truck chassis – The recommended award for the truck chassis is to the vendor with the least cost of ownership when applying the projected residual value to the purchase price. Comparisons of available manufacturers models are presented in the table below.
- Staff identified multiple HGAC contract holders for heavy duty tandem conventional cab truck chassis. Staff calculated contract costs from HGACBuy contract holders. The comparative results are shown in the table below:

HGAC BUY Contract Comparisons				
Purpose Built Heavy Duty Street Maintenance Application Truck Chassis				
Manufacturer	Type of Equipment	HGACBuy Contract Cost/Unit	*Residual Value	Net Cost of Ownership
Freightliner	Tandem-Axle	\$118,766.00	\$32,825.00	\$85,941.00
International	Tandem-Axle	\$114,574.00	\$31,116.00	\$83,458.00
Kenworth	Tandem-Axle	\$111,266.05	\$24,487.50	\$86,778.55
Mack	Tandem-Axle	\$115,158.00	\$47,237.50	<b>\$67,920.50</b>
Peterbilt	Tandem-Axle	\$124,997.80	\$34,075.00	\$90,922.80

- Residual value-based on calculations for “Rough Wholesale” values for 10-year-old 2009 model year used trucks from the City’s independent paid subscription services of Black Book-Division of Hearst Business Media Corporation. Black Book provides subscribers with residual values of medium and heavy-duty truck chassis independent from truck manufacturers and dealers. Black Book data is captured from truck dealer transactions, aftermarket sales, and auction results.

- City staff also utilize the paid subscription services of J. D. Powers Valuation Services as provided in American Truck Dealers (ATD/NADA) commercial truck guides. There was insufficient data of truck dealer transactions for this class of purpose built COE truck chassis for ATD/NADA to publish residual values. Most of the aftermarket transactions for refuse trucks are from municipalities and private waste haulers; therefore, Black Book was the primary source used to calculate residual values.
- The recommended award for purpose built heavy duty tandem-axle conventional cab diesel truck chassis is to the least cost purchase price and least cost of ownership when applying the projected residual value to the purchase price.

**PREVIOUS COUNCIL ACTION(S):**

Date: November 19, 2018

Roll Call Number: [18-1918](#)

Action: Purchases from the following:

- (C) [Housby](#) Mack Inc., (Kelly Housby, President) and Henderson Products (Jon Sievert, President) for twelve (12) replacement single-axle truck chassis, plus snow and ice control equipment to be outfitted on sixteen (16) truck chassis (four tandem-axle truck chassis to be awarded in the future) per Houston-Galveston Area Council (HGAC) contract for use by the Public Works Department, \$3,097,509.80. ([Council Communication No. 18-615](#)) Moved by Mandelbaum to adopt. Motion Carried 5-2. Nays: Coleman and Gatto.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).