

Office of Neighborhood Services

City of Richland Hills, Texas

Memorandum

To: Honorable Mayor Bill Agan and members of the Richland Hills City Council
From: Scott Mitchell, Director of Neighborhood Services
Date: January 19, 2016
Subject: Replacement of Utility Sewer Truck

Council Action Requested:

Approval of purchase of Utility Sewer Truck.

Background Information:

The City of Richland Hills operates a utility sewer truck that is designed to jet clean wastewater lines and storm drains, vacuum debris from waste water lines and storm drain lines as well as clean up spills that may occur from a waste water line back up or line break. This unit is used daily for both emergency response as well as scheduled line cleaning throughout the city.

The current truck is over twenty years old and has multiple mechanical issues. The City has spent a significant amount of money, as well as experienced significant down time over the past several years. Currently the truck is out of service due to pump failure. Estimated repair cost for this item alone is \$20,500.00. The vendor is currently working to locate parts which may or may not be available due to the age of the vehicle. Due to the age of the unit, most parts are no longer available except from salvage yards and possible old stock from a dealer inventory somewhere in the US.

In prior discussions with staff, the intent was to bring this item forward as a capital item in the FY 2016-1017 budget. However, due to the repeated mechanical

failures of the current unit, it has become necessary to bring the replacement request forward as an emergency purchase request.

This proposal is to replace the current unit with a new unit with identical capabilities. The service life of the new truck is considered ten to fifteen years, depending on amount of use. In our city we should expect a life span of fifteen years for the unit.

Utilizing cooperative purchasing programs, staff has obtained quotes for several different models/manufacturers for similar units meeting our needs. Staff also considered potential delivery time as the current unit is not serviceable. It is Staff's recommendation that we purchase a unit with matching capabilities to meet the needs of the city. Public works personnel evaluated the comparable units available to make a recommendation for purchase.

The recommended unit to be purchased is a VACTOR 2100 Plus on a Freightliner chassis. This unit is currently available from the dealer, Kinloch Equipment in Arlington, Texas. Cost of the unit is \$324,945.32 with a 60 to 90 day delivery window.

Dealer does have several lease/purchase programs available that would spread the cost over a five year period at minimal interest cost. Three lease purchase example schedules are listed in attachment for consideration as a purchase option.

Board/Citizen Input: N/A

Financial Impact: \$324,945.32

Staff Contacts:

Scott Mitchell
Director of Neighborhood Services
smitchell@richlandhills.com

Attachments:

Lease Purchase Option Example Schedules
Unit Evaluations and Recommendations from Public Works

Office of the Director of Neighborhood Services

Memorandum

To: Eric Strong, City Manager
From: Scott Mitchell, Director of Neighborhood Services
Date: January 19, 2016
Subject: Lease/Purchase Options – Utility Sewer Truck

As part of the research into the possibility of replacing the current Utility Sewer Truck, vendors submitting quotes were also requested to submit lease/purchase programs available for the purchase of the truck. Of the quotes that we received, only one dealer offered a program for the lease/purchase of their equipment. This was Kinloch Equipment and Supply of Arlington, representing VACTOR. They have three programs available:

Example: Using a unit cost of \$329,299.20 (our quote is approximately \$4500.00 less):

Five year payment plans for monthly, quarterly and annually, based on 4% interest –

1. 60 months @ \$6,064.55
2. 20 quarterly payments, beginning three months after funding, @ \$18,248.22
3. 5 annual payments of \$71,851.60, beginning three months after funding.

Financing is available from other institutions separate from the actual vendors if we choose to look at a different make / model. Exact figures are dependent on unit cost. Interest rates vary dependent on amount. However, 4% is the lowest amount we found in the survey.

Office of the Director of Neighborhood Services

Memorandum

To: Eric Strong, City Manager
From: Scott Mitchell, Director of Neighborhood Services
Date: January 19, 2016
Subject: Staff Evaluation/Recommendation for Utility Sewer Truck

I requested Public Works Superintendent Ken Cross provide me with some information/recommendations on the vendors and the equipment submitted to the city regarding sewer cleaning trucks. Discussion listed below:

Texas Municipal Equipment – All Jet Vac / VACALL

6 yard debris hopper – too small for efficient use

Use 3rd party service, not done “in-house”

Will not include chassis purchase, has to be purchased separately by city and delivered to vendor

CLS Equipment – VACCON

Service Department in Richardson does not carry parts inventory, all parts have to be ordered from factory warehouse

Comments from neighboring cities regarding VACCON equipment:

N. Richland Hills – in shop more than on the street, currently out of service for over 2 months waiting on parts

Plano – constant repair headache, leaks and corrosion problems

White Settlement – in shop more often than on the street

(All three recommended not to purchase)

Kinloch Equipment – VACTOR

Service Department in Grand Prairie is designated regional service center – good stock of parts on hand

Rental equipment available if needed (only vendor with this service available)

Offer finance options and buy-back (except our current truck is too far gone for them)

Municipalities that currently operate VACTOR equipment – Ft. Worth, Hurst, Bedford, Arlington, all with good recommendations

City of Lake Worth does not own/operate a utility sewer truck. They outsource with 3rd party service (ACE). Currently expending around \$300,000.00 annually for sewer service.