

RESOLUTION NO. 23-R-137

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AUTHORIZING THE CITY MANAGER TO ENTER INTO A LEASE PROGRAM AGREEMENT WITH KINLOCH EQUIPMENT & SUPPLY AND EXPENDITURES WITH DOGGETT FREIGHTLINER OF SOUTH TEXAS FOR REPLACEMENT OF THE SEWER VACTOR TRUCK AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, The City of Schertz (the “City”) approved the replacement of the sewer vactor truck in FY 23/24 budget; and

WHEREAS, City Staff has identified the Vactor 2100i combination sewer cleaner as the preferred replacement model; and

WHEREAS, City Staff has determined that a lease option provides the best value to the City as it includes provisions for bumper to bumper warranties, free repair and maintenance and free loaner equipment; and

WHEREAS, City staff hereby recommends that the City Council authorize the lease program agreement with Kinloch Equipment & Supply (Exhibit A) and expenditures with Doggett Freightliner of South Texas (Exhibit B) for the replacement of the sewer vactor truck; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS THAT:

Section 1. The City Council hereby authorizes the City Manager to execute a lease program agreement with Kinloch Equipment & Supply and expenditures with Doggett Freightliner of South Texas in an amount not-to-exceed \$550,000 for the replacement of the sewer vactor truck.

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section 3. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City

Council hereby declares that this Resolution would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND ADOPTED, this _____ day of _____, 2024.

CITY OF SCHERTZ, TEXAS

Mayor, Ralph Gutierrez

ATTEST:

City Secretary, Sheila Edmondson

(CITY SEAL)

EXHIBIT A

Mile After Mile Lease Program Agreement



Kinloch
Equipment & Supply, Inc.

P.O. Box 4919
Pasadena, TX 77502
Tel: 713.473.6213 Fax: 713.473.7858
Toll Free: 800.231.6929



Mile After Mile™ Proposal

For The City of Schertz



As an alternative to the traditional equipment acquisition model, we offer a turnkey “cradle to grave” equipment acquisition and operation solution that achieves the best of both worlds.....high productivity and low cost of ownership and operation. We call this program **Mile After Mile™**.

We are pleased to offer our proposal based on the Vactor 2100i combination sewer cleaner. Vactor is the North American market leader, enjoying just over 54% market share.

Essentially, this is what this program offers:

- Equipment built to the specifications and requirements as outlined in the accompanying proposal.
- A five (5) year bumper-to-bumper warranty for both the truck chassis and sewer cleaner
- All repairs & maintenance included (except rodder hose)
- Guaranteed minimum 95% equipment availability supported by free of charge loaner equipment in the event of protracted downtime

This again is designed to offer a low, fixed cost of operation and a correspondingly high level of equipment availability. This yields a lower cost of ownership per productive hour which I’ll explain later in this proposal.

This program is offered as a five (5) year lease with your choice of monthly or annual payments, a balloon payment at the end of the term with a guaranteed repurchase amount from Kinloch Equipment & Supply equivalent to the amount of the balloon payment resulting in net zero out of pocket to the City of Schertz.

AQUISTION OPTIONS

Model	Vactor 2100i
Debris Body Capacity	12 Cubic Yards
Water Tank Capacity	1,300 Gallons
Vacuum System	Roots 824 18” Positive Displacement Blower
Boom	RDB 1015 (10’ Telescopic & 15’ Extendable)
Capital Cost	\$543,203.
Mile After Mile™ Program	
Five (5) Year Bumper to Bumper Warranty	Included in Payment
Five (5) Year Repair & Maintenance Agreement	Included in Payment
Free Loaner Equipment	Included in Payment
Payment Schedule	
Five (5) Annual Payments of	\$99,792.
OR	
Sixty (60) Monthly Payments of	\$8,561.
Purchase Option	
Upon the conclusion of the five (5) year lease term, the City of Schertz has first option to purchase this equipment for \$269,952. You are under no obligation to exercise this option and can opt to return the equipment to Kinloch Equipment & Supply, Inc. with no further financial obligation.	

COST PER PRODUCTIVE HOUR

Assumptions:

- 8 hours in a normal single shift workday.
- 52 weeks in a year equals 2,080 normal work hours.
- ~10 days per year (80 hours) of Federal holidays.
- Net 2,000 normal work hours per year
- Minimum of 95% guaranteed equipment availability

Payment Frequency	Cost Per Productive Hour
Annual	\$52.52
Monthly	\$54.07

Prices quoted herein are in accordance with BuyBoard Contract # 601-19.

This proposal is made as a matter of convenience. Any order desired to be placed in conjunction with this proposal must be made in favor of Doggett Freightliner of South Texas, LLC as only a franchise motor vehicle dealer may title, register, and plate new motor vehicles within the State of Texas. Doggett Freightliner of South Texas, LLC is the exclusive BuyBoard contract holder for the Freightliner 114SD chassis as offered in this proposal.

Prices quoted herein are firm until 11/30/23.

Sincerely,



Daniel J. Federico
Sales Manager



3320 Pasadena Blvd
Pasadena, TX 77503
O: 713-473-6213 Fax: 713-473-7858
Toll Free: 800-231-6929

Mile After Mile™ Program Agreement

The intent of this agreement is to describe special terms and conditions for the City of Schertz to own and operate a Vactor 2100i combination sewer cleaner mounted on an Freightliner M-2 114SD Plus truck chassis with vendor maintenance. The proposal is written to ensure that equipment operated by you will provide the lowest total cost during its useful life. The proposal is supplemental to the Vactor 2100i proposal and accompanying configuration provided. This contractual agreement includes all preventative maintenance and repairs to both the body and chassis with noted exceptions.

DEFINITIONS:

The term "you" shall mean the City of Schertz.

The term "KESI" shall mean Kinloch Equipment & Supply, Inc., the dealer who represents the manufacturer of the equipment being proposed.

The term "Fleet Management" shall mean the City of Schertz Fleet Manager or his/her designated representative, wherein the equipment will be operated and maintained.

The term "KESI Principal" shall mean the principal person or his/her designated representative of KESI, whom this contract shall apply.

The term "normal workday" shall mean a day which falls on or between Monday and Friday of the calendar week, 52 weeks a year, excluding the City of Schertz holidays. A list of all the City of Schertz holidays shall be supplied to KESI from you upon award of this contract.

The term "normal working hours" shall mean the time period of a normal workday when the City of Schertz's main equipment shop and/or maintenance facility is normally open for operation. You shall supply KESI with this information upon awarding this contract.

The term "in-service date" shall mean the date the City of Schertz places the unit in operation. The City of Schertz will notify the KESI Principal of the in-service date.

The term "downtime" shall mean the period of time measured in normal workdays that the unit is unable or unsafe to perform those operations for which the unit was designed.

1. The maintenance contract period shall be a five (5) year term.



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2. The training will require a minimum of one (1) day for operating and one (1) day for daily maintenance.
 3. The City of Schertz is responsible for providing fuel, insurance, and operator for the mainline sewer inspection system. Original equipment items listed in this paragraph to be utilized and will be supplied at fleet pricing.
 4. The City of Schertz is responsible for the daily maintenance of the sewer cleaner in accordance with instructions from KESI and/or the manufacturer.
 5. KESI is responsible for the cost of parts and labor of the following:
 - a) All preventative maintenance requirements for the chassis and body with the exception of daily maintenance.
 - b) Vactor sewer cleaner components with the exception of jet rodder hose which is the City's responsibility.
 - c) All repairs to chassis and related components. Operator damage is not included.
 - d) Repair of damage caused by the City of Schertz personnel is not covered by this agreement and must be repaired to the manufacturer's original specifications within a reasonable time frame upon notification of damage.
 6. KESI shall be fully responsible for transporting to and from your facility, at no cost to you for any repairs or maintenance required, if said repairs or maintenance cannot be completed at the City of Schertz's site.
 7. This proposal is based on total aggregate usage over a five (5) year term of not more than 10,000 engine hours. If 10,000 engine hours are reached prior to the five (5) year anniversary of the in-service date, the City of Schertz has the exclusive option to either:
 - Pay an hourly charge of \$90 per hour for each hour in excess of 10,000 hours until the end of the five (5) year agreement to allow for the continuation of the terms and conditions set forth in this agreement.
- OR
- Allow this agreement to lapse and immediately absolve both the City of Schertz and KESI of any further obligations as set forth in this agreement.
8. KESI shall guarantee that the equipment purchased under this contract will be available for operation at least 95% of normal workdays. KESI shall guarantee that the equipment purchased under this



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contract will not be out of service for more than five (5) consecutive normal workdays, nor more than five (5) normal workdays, in any 100 consecutive, normal workday period.

9. Equipment availability shall apply to equipment put out of service for any reason other than i.e., operator damage, theft, vandalism, accident, Acts of God, or incidents out of control of KESI which render the unit unable or unsafe to perform those operations for which the unit is designed. The City of Schertz supervising personnel, after inspection will determine in conjunction with a KESI Principal, if the unit was inoperable or unsafe and the cause of the downtime. Equipment availability shall not apply to equipment during routine maintenance.
10. The unit will be considered out of service starting the first normal workday, following KESI notification by the City of Schertz's that the unit is inoperable or unsafe and requires repair. Therefore, the downtime clock will start at the beginning of the first normal workday, following such notification. The City of Schertz Fleet Manager will notify the KESI Principal during normal working hours of a unit that is out of service and requires repair. The unit will be considered in service (operational) starting the first normal workday following the completion of the repair and/or return of the repaired unit. Therefore, the downtime clock will stop at the beginning of the first normal day following the repair completion or return of the repaired unit.
11. Equipment availability or in-service percentage (uptime) will be computed by the City of Schertz at the end of each 100 consecutive, normal workday period, beginning from the in-service date, using downtime increments of normal workdays. The City of Schertz will use the following formula to compute equipment availability at the end of each 100 consecutive, normal workday period:
Equipment Availability = [(100 Days - Downtime)/100 Days] x 100%

NOTE: The term "Days" refers to normal workdays. The term "Downtime" refers to the total downtime accumulated during the 100 consecutive, normal workday period.
12. KESI will credit the City of Schertz a daily amount of \$125.00 for each normal workday required to provide 95% availability in the event a functionally equivalent replacement unit is not available.
13. KESI will provide a relief unit should repair downtime be more than five (5) consecutive normal workdays. All costs associated with securing and delivering the relief unit shall be at KESI's expense, with no cost to the City of Schertz. The relief unit must be functionally equivalent to its replacement.
14. This guarantee shall be in effect for a period of five (5) years. Time will be measured in calendar years from the in-service date and engine hours will be recorded on the electric, solid state hour meter provided with the unit.



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The City of Schertz

Name: _____

Title: _____

Date: _____

Signature: _____

Kinloch Equipment & Supply, Inc.

Name: Todd B. Kinloch

Title: President

Date: _____

Signature: _____

EXHIBIT B

Truck Expenditures



DOGGETT FREIGHTLINER OF SOUTH TEXAS LLC - AUSTIN

1701 Smith Rd.
Austin, Texas 78721

Bus: 512-389-0000
Fax: 512-389-2663

INV #:
DATE: 10/24/2023
INVOICE / BUYER'S ORDER

BUYER'S NAME CITY OF SCHERTZ TELEPHONE

ADDRESS 1400 SCHERTZ PARKWAY CITY SCHERTZ STATE TX ZIP CODE 78154

YEAR 2025 MAKE FREIGHTLINER MODEL/BODY 114SD PLUS VIN TBD LICENSE PLATE

A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY CHARGED TO BUYER FOR HANDLING DOCUMENTS RELATING TO THE SALE. A DOCUMENTARY FEE MAY NOT EXCEED A REASONABLE AMOUNT AGREED TO BY THE PARTIES. THIS NOTICE IS REQUIRED BY LAW.

UN PAGO DOCUMENTAL NO ES UN CARGO OFICIAL. LA LEYNO EXIGUE SE IMPONGA UN CARGO DOCUMENTAL. PERO ESTE PODRIA COBRARSE A LOS COMPRADORES POR EL MANEJO DE LA DOCUMENTACION EN RELACION CON LE VENTA. UN CARGO DOCUMENTAL NO PUEDE EXCEDER UNA CANIDAD PAZONABLE ACORDADA POR LAS PARTES. ESTA NOTIFICACION SE EXIGUE POR LA LEY.

Disclaimer of Warranties

The above described vehicle sold by Freightliner of Ausitn is sold as is, without either express or implied warranties of any kind by Freightliner of Austin, including warranties of merchantability or fitness, and Buyer will bear the entire expense of repairing or correcting any defects that presently exist or that may occur in the vehicle, unless a writte warranty by, or service contract with Freightliner of Austin covering the describe vehicle is delivered to Buyer in conjunction with or within 90 days following the time of sale, but such vehicle or any of its component parts may be subject to warranty by the manufacuter thereof.

Table with columns for MILEAGE, BUY BOARD CONTRACT #601-19, CHASSIS SELLING PRICE (\$136,358.00), VACTOR 2100i (\$406,445.00), BUY BOARD FEE (\$400.00), QUOTE # CPQ # 2023-69914, QUOTE EXPIRES 11/24/2023

CUSTOMER COPY

Table with columns for MILEAGE, YEAR, MAKE, MODEL/BODY, VIN, TRADE-IN

Table with columns for PAYOFF TO, ADDRESS, TELEPHONE, FAX, QUOTED BY, SHOW LIEN TO, DATED, DRAFT FOR \$, DRAFT THRU, ADDRESS, TOTAL, (Trade Allowance), TRADING DIFFERENCE, SALES TAX, DEALER'S INVENTORY TAX, LICENSE FEE, DOCUMENTARY FEE, FEDERAL EXCISE TAX, TOTAL SALE PRICE, PAYOFF ON TRADE, EXT. WARRANTY, LESS DEPOSIT, Total Balance Due

**The Dealer's Inventory Tax charge is intended to reimburse the dealer for ad valorem taxes on its motor vehicle inventory. The charge, which is paid by the Dealer to the county tax assessor-collector, is not a tax imposed on a consumer by the government, and is not required to be charged by the dealer to the consumer.

The information you see on the window form for this vehicle is part of this contract. Information on the window form overrides any contrary provisions on the contract of sale. La informacion que aparece en la ventanilla de este vehiculo forma parte de este contrato. La informacion contenida en el formulario de la ventanilla anula cualquier prevision que establezca lo contrario y que aparezca en el contrato de venta. If a credit purchase, this is an offer to purchase only. Buyer offers to purchase vehicle on credit terms described herein and no contractual relationship is created. This order does not constitute an agreement for the extension of credit. Manufacturer/Distributor reserves the right to change the price of new vehicles to Seller without notice. In the event that the price to Seller of the new vehicle ordered hereunder is changed prior to delivery to Buyer, Buyer agrees and accepts that the cash delivered price will be changed accordingly. If the Buyer's used vehicle trade-in is not delivered to the Seller until delivery of the new vehicle, the trade-in will be reappraised at that time and Buyer agrees that such reappraised value shall determine the allowance, if any, made for the trade-in. Buyer agrees to deliver the original bill of sale and the title to an trade-in along with the delivery of the trade-in and further agrees to execute and all documents necessary or required to transfer legal title and ownership to Seller or its assigns. Buyer warrants the trade-in to be his property and free and clear of all liens and encumbrances except as otherwise noted herein. Buyer further warrants that the trade-in has not been declared rebuilt salvage, reconditioned, nonrepairable, or flood damaged and that the emission systems have not been tampered with and are in the condition as originally manufactured, except for ordinary wear, unless so disclosed. Seller makes no representations, concerning fuel economy of the sale unit and any information posted on the sale unit or contained in literature relating to the same reflect the results of tests performed, required or prescribed by government agency, upon which Seller has relied. It is expressly agreed to and understood by Buyer and Seller that is the event of a non-credit transaction, Seller retains a security interest in the purchased vehicle until such time as Buyer has paid the Seller for the vehicle. Buyer agrees to all the above listed charges.

BUYER'S SIGNATURE: _____ SELLER'S SIGNATURE: _____ DATE _____