



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 4

**Agenda Date:** January 25, 2024

**In Control:** City Council A Session

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**DEPARTMENT:** Finance Department

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Ratification for Rental of Milling Machine

**SUMMARY:**

This ordinance ratifies the contract and payment to Nueces Power Equipment for the rental of a milling machine for the Public Works Department's Street Division for a total cost of \$58,600.00. Funding from the General Fund.

The \$58,600.00 contract and payment was funded by the FY 2023 Public Works General Fund Budget.

**BACKGROUND INFORMATION:**

A request for ratification of the contract and payment of \$58,600.00 to Nueces Power Equipment is submitted for Council action for the rental of one Wirtgen W200Fi Milling Machine used by the Public Works Department to continue the Street Maintenance Asphalt Overlay Program, while the Public Works Department's milling machine was being repaired. The Street Maintenance Asphalt Overlay program is a top priority for Council and the Public Works Department to complete the annual program by September 30th of every year.

The procurement of the rental milling machine was necessary due to unforeseen damage to public machinery or equipment. The milling machine's one month rental was from February 14, 2023, through March 14, 2023, for \$29,000.00 with a \$600.00 delivery and return fee. The Public Works Department anticipated to use the rented milling machine for only one month; however, it was necessary for the machine to be used for an additional one month as the Public Works Department's milling machine was still under repair. The additional one month rental was from March 14, 2023, through April 11, 2023 for \$29,000.00, causing the total cost for the two month rental of the milling machine to be \$58,600.00; exceeding the \$50,000.00 threshold and requiring City Council action.

The ratification of this contract and payment was delayed due to the uncertainty surrounding the total rental time required to minimize disruption to operations while waiting for the return of the milling machine that was undergoing repairs.

**ISSUE:**

This ordinance will ratify the contract and payment to Nueces Power Equipment, in the amount of \$58,600.00 for the additional monthly Milling machine rental.

This purchase is exempt from the Small Business Economic Development Advocacy Program.

This purchase is an exception to the Local Preference Program.

The Veteran-Owned Small Business Preference Program does not apply to goods/supplies contracts, so no preference was applied to this contract.

**ALTERNATIVES:**

An exemption procurement for unforeseen damage to public machinery or equipment was used to provide for the rental of the milling machine for Public Works Department for the Street Maintenance Asphalt Overlay program in order to complete the program on time. The only option available is to ratify the contract and payment since the services of this equipment rental have already been provided.

**FISCAL IMPACT:**

This ordinance requests the ratification of the contract and payment with Nueces Power Equipment for the rental of a milling machine for the Public Works Department's Street Division for a total cost of \$58,600.00. Funded from the General Fund.

The \$58,600.00 contract and payment was funded by the FY 2023 Public Works General Fund Budget.

**RECOMMENDATION:**

Staff recommends the ratification of the rental contract and payment to Nueces Power Equipment in the amount of \$58,600.00 for the milling machine used for street maintenance of the Asphalt Overlay Program by the Public Works Department.

This purchase was procured on the basis of exemption for unforeseen damage and a Contracts Disclosure Form is not required.