

FACT SHEET**TITLE**

A resolution authorizing the approval of a price change and entering a contract with Hol-Mac Corporation for the purchase of eighteen (18), 25 cubic yard rear loaders packers, and otherwise providing with respect thereto.

DATE

April 12, 2022

ORIGINATING DEPARTMENT

Finance
Public Works

COUNCIL DISTRICT

City-wide

SPONSOR**PURPOSE**

To secure the purchase of 18 needed garbage trucks for the City of Shreveport, as to not interfere with the current garbage pickup within the city

BACKGROUND INFORMATION

In March of 2021 the City of Shreveport received bids for the purchase of eighteen (25) yard packers. Hol-Mac was the low bidder with a unit price of \$163,000 per vehicle. A purchase order was issued based on this price with a delivery date of 90 to 120 days. Due to supply chain issues Hol-Mac did not deliver the packer in the time frame promised.

On March 17,2022, Hol-Mac notified the City that there would be an increase in the cost of the packers of \$20,286 per unit. Hol-Mac has since reduced the unit price to \$180,611 which is a unit increase of \$17,611 per packer for a total increase of \$316,998.

Due to the delayed delivery of the packers, we have rented (10) packers since July of 2021 at a cost of approximately \$70,000 per month. The City also advertised and received bids for an additional (15) packer on March 17, 2022, using the exact same specification used last year. The lowest bidder Hol-Mac submitted a price of \$254,800 per unit which is an increase of \$91,800 higher per unit than last year's bids and the only other bidder was approximately \$120,000 per unit higher. Other vendors refused to bid on the packers due to the uncertainty of being able to secure the chaises. The anticipated delivery for these packers would be in late 2023.

TIMETABLE

Introduction: April 12, 2022
Final Passage: April 26, 2022

ATTACHMENTS

Exhibit "A", "B", "C", "D" and "E" attached

SPECIAL PROCEDURAL REQUIREMENTS

NA

FINANCES

\$316,998

SOURCE OF FUNDS

2022 Budgeted funds for the purchase of Packers

ALTERNATIVES

(1) Adopt the resolution as submitted, or (2) Amend the resolution, or (3) Reject the resolution.

RECOMMENDATION

It is recommended that the City Council adopt the resolution.

FACT SHEET PREPARED BY: Danielle N. Brown, Deputy Director of Litigation

RESOLUTION NO. _____ OF 2022

A RESOLUTION AUTHORIZING THE APPROVAL OF A PRICE CHANGE AND ENTERING A CONTRACT WITH HOL-MAC CORPORATION FOR THE PURCHASE OF EIGHTEEN (18), 25 CUBIC YARD REAR LOADERS PACKERS, AND OTHERWISE PROVIDING WITH RESPECT THERTO.

BY COUNCILMEMBER:

WHEREAS, on March 16, 2021, the City of Shreveport's Purchasing department solicited bids on behalf the Public Works department for the purchase of (18) eighteen, 25 cubic yard rear loaders packers ("garbage trucks");

WHEREAS, a total of four (4) bids came in, with the lowest responsive bid being that of Hol-Mac Corporation;

WHEREAS, on or about March 25, 2021, Hol-Mac Corporation was issued a purchase order (IFB 21-005), with the grand total of all items being \$2,934,000.00 (unit price being \$163,000.00);

WHEREAS, sometime after the bid was awarded the City's Public Works department was notified by Hol-Mac, that there would be a delay in the delivery of the garbage trucks, of about 90-120 days, as there were global supply chain issues that would impact the delivery of the chassis, an essential part needed for the garbage trucks;

WHEREAS, on March 17, 2022, the City was notified that there would be an additional cost for the chassis of \$20,286 per chassis, thus increasing the grand total of all item to \$3,299,148 (unit price being \$183,286);

WHEREAS, Hol-mac, has since reduced the grand total of all items to \$3,250,998 (unit price being \$180,611);

WHEREAS, the City has reached out to all other bidders on this project and found that not only has the cost of such an order has increased, but that none of the other bidders could charge this amount or less;

WHEREAS, on March 17, 2022, the City solicited bids for additional garbage trucks, with the

lowest bidder, being Hol-mac, submitting a unit price of \$254,800 and a delivery date in the latter part of 2023;

WHEREAS, the City is currently renting garbage trucks that cost the city approximately \$70,000.00 a month and the availability of those trucks are not guaranteed as they are currently being purchased upon the termination of the rental agreement by other entities;

WHEREAS, should the City solicit for a new bid the earliest the garbage trucks could be delivered is sometime in the year 2023;

WHEREAS, the increased of cost would necessitate a change order, which would reflect the increased cost beyond that of the bid award;

WHEREAS, the Director of Public Works believes that such purchase is necessary to ensure that the scheduled garbage pickup for the City of Shreveport is not discontinued;

NOW, THEREFORE, BE IT RESOLVED, that the City of Shreveport is authorized to enter into a contract with Hol-Mac Company for the purchase of (18) eighteen, 25 CY rear loader packers for the increased amount of \$3,250,998 (unit price being \$180,611).

BE IT FURTHER RESOLVED that if any provision or item of this resolution or the application thereof is held invalid, such invalidity shall not affect other provisions, items or application of this resolution which can be given effect without the invalid provisions, items or applications, and to this end, the provisions of this resolution are hereby declared to be severable.

BE IT FURTHER RESOLVED that all resolutions or parts thereof in conflict herewith are hereby repealed.

APPROVED AS TO LEGAL FORM:

City Attorney's Office