

ITEM #:	<u>24</u>
DATE:	<u>05-12-26</u>
DEPT:	<u>FLEET</u>

COUNCIL ACTION FORM

SUBJECT: PURCHASE OF SIX SEMI-TRUCKS FOR RESOURCE RECOVERY FOR THE NEW R3C

BACKGROUND:

With the anticipated opening of the Resource Recovery Recycling Campus (R3C) in 2027, the City needs to purchase semi-trucks to haul refuse to the Carroll County Landfill and recyclable materials to a material recovery facility. It is estimated that over 65,000 tons of materials will need to be transported each year, resulting in over 2,600 truck trips annually. These will be the first semi-trucks the City purchases for hauling in this continuous, heavy-duty capacity.

Staff from Resource Recovery and Fleet discussed the purchase of the trucks and determined that the best value would be obtained by using a cooperative contract to purchase the semi-trucks from International Trucks. There are a number of reasons to use a cooperative contract versus obtaining competitive bids. It is imperative that the trucks run as much as possible and can use B100 to meet the City's sustainability goals. The proposed semi-trucks are International brand with the local dealership being Ascendance Truck Centers located in Altoona, IA. There is also an Ascendance dealership in Carroll, Iowa, where the refuse will be hauled. This will reduce the amount of towing back to Des Moines and allow the trucks to be repaired at an authorized dealership near the new landfill if issues arise during operations.

International trucks and specifically Ascendance Truck Centers have been involved in installing the Optimus B100 system on the City's existing snowplow trucks. The B100 system will be installed by Ascendance and does not require the City to install the system after the truck is delivered. International trucks also use a Cummins engine, which is the engine in all the snowplow trucks that use B100. Fleet Services staff is familiar with maintaining, diagnosing, and repairing Cummins engines. The Cummins engine also allows for the easy acquisition of parts, and can be worked on by any authorized heavy truck repair center. Coordinating these efforts under one vendor will provide for less downtime, which is an advantage for the operations of the new R3C.

In the financial model prepared for the R3C it was assumed that the trucks would achieve a fuel efficiency of 7.0 miles per gallon, resulting in the consumption of 303,680 gallons in the first full calendar year of operation. It is estimated that the International trucks selected will achieve this fuel efficiency based on the anticipated operations. However, semi truck vendors will not provide official estimates of fuel mileage as it is impacted by drivers, speed, weather, and weight of loads.

The cost for the trucks is established through a national cooperative contract with Sourcewell of Staples, MN. The State of Iowa purchases from International through the same contract. The cost for each truck would be \$205,064, including selected options

and an extended 5-year, 400,000-mile engine warranty. Per the Sourcewell contract, this purchase price provides a 49.5% discount off the listed price. The City would be purchasing six trucks for a total of \$1,230,384. This purchase will expedite the delivery to the City to have the trucks by winter of this year to ensure readiness to haul refuse as soon as it is possible to do so.

Funding for this purchase comes from the 2026/27 Resource Recovery and Recycling Campus Mobile Equipment Capital Improvements Project. This project contains \$2,340,000 in contributions from the Electric Fund due to savings realized in operational expenses at the Power Plant once transfer operations begin and waste-to-energy operations cease.

The procurement of the transfer trailers will proceed utilizing traditional bidding methods. Results will be brought to City Council for review and approval at a future meeting. In addition, staff is pursuing the purchase of a used "yard truck" that will be used to move trailers around the R3C site and haul them to Fleet Services for repairs.

ALTERNATIVES:

1. Waive the Purchasing Policies and Procedures requirement for competitive bids and award a contract to Ascendance Trucks Midwest of Altoona, IA, for the purchase of six semi-trucks in the amount of \$1,230,384.
2. Do not approve the purchase.

CITY MANAGER'S RECOMMENDED ACTION:

Approving this contract to obtain the six semi-trucks will allow for the R3C to have reliable, sustainable semi-trucks in time for the beginning of hauling operations. Staff believes the proposed trucks and procurement approach will suit the needs of Resource Recovery and Fleet Services staff as this new operation begins. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.