



MEMORANDUM

Council Agenda
Item No. IX. T
4/22/2025

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Resolution authorizing a change in the cost estimate for the purchase of heavy construction equipment from Sourcewell Cooperative Purchasing Contract (COKC01390), estimated cost increase of \$1,000,000 to a total of \$1,500,000, for the period ending January, 27, 2026.

Purpose:

To increase the estimated cost for the purchase of heavy construction equipment for the Public Works, Utilities, and General Services Departments. Public Works equipment is scheduled for replacement on the FY25 fleet replacement plan and is funded by the Capital Improvement Citywide Fleet Replacement budget of 4.6 million dollars. Equipment is being replaced due to age and high maintenance costs.

Background:

This cooperative contract was adopted on January 28, 2025 (Item No. IX. H.) for the period ending January 27, 2026. The original estimated cost of \$500,000 has reached its limit. This contract provides the opportunity for increased savings on long term projects.

The departments are utilizing the cooperative contracts because of the better discounts offered in comparison to the same equipment with the same vendor on state contract. Vendors are also moving to only participate in the cooperative contracts. Additionally, the cooperative contract savings are even more important with the tariffs that are now being levied against purchases.

Sourcewell is a cooperative purchasing organization that provides government entities access to competitively solicited purchasing plans. Through Sourcewell, the City will procure goods and services using an established government contract, which adheres to bidding procedures that substantially comply with the City's requirements. The approval process for this contract mirrors the procedures followed when purchasing from State contracts. The estimated cost increase for this contract is based on expected expenditures and equipment identified to be replaced during this contract period. The City is under no obligation to purchase from this contract. All purchases are subject to future appropriations and the availability of funds.

Staff requests Council authorization for an increase in the estimated cost for the purchase of heavy construction equipment from Sourcewell Cooperative Purchasing Contract (COKC01390), estimated cost increase of \$1,000,000, to a total of \$1,500,000 for the period ending January 27, 2026.

Estimated Cost:

\$ 500,000 (Original Estimated Annual Cost)

\$ 1,000,000 (Increase in Estimated Annual Cost)

\$ 1,500,000

Source of Funds:

OCITY-Capital Improvement-Fleet Services CIP-Furn_Equip_Machinery-Citywide Fleet
Replacement-1611-3503901-54150001-C30001

Review:

Finance Department

Recommendation: Resolution be adopted.