



**Kinloch**  
**Equipment & Supply, Inc.**

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## **Proposal For**

# **The City of Cuero**



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 Elgin Broom Bear truck mounted mechanical sweeper. Elgin is the longest tenured manufacturer of sweepers in North America as well as being the market leader. The Broom Bear features:

- Single Engine Technology
- Twin Variable Displacement Hydraulic Pumps for Increased Sweeper System Efficiency
- 4.5 yd<sup>3</sup> Debris Hopper Single
- Variable Dump Height up to 11’ 2”
- 11” Hopper Side Shift for Maximum Dump Truck/Container Payload Distribution
- Squeegee with Patented Interchangeability to Chevron Conveyor Belt System

Essentially, this program offers:

- New and Unused Equipment built to the attached specifications.
- A four (4) year bumper-to-bumper warranty for both the truck chassis and sweeper
- All repairs & maintenance included (except brooms)
- 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 will be explained and quantified later in this proposal.

This program is offered as a four (4) 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 Cuero.

**ACQUISITION OPTIONS**

Model	Broom Bear
Debris Body Capacity	4.5 Cubic Yards
Water Tank Capacity	360 Gallons
Conveyor System	Chevron Rubber Conveyor Belt
Brooms	Dual 46” Side Brooms
Capital Cost	\$330,500
<b>Mile After Mile™ Program</b>	
Four (4) Year Bumper to Bumper Warranty	Included
Four (4) Year Repair & Maintenance Agreement	Included
Free Loaner Equipment	Included

<b>Payment Schedule</b>	
Four (4) Annual Payments of	\$69,784
<b>OR</b>	
Forty-Eight (48) Monthly Payments of	\$5,932
<b>Purchase Option</b>	
Upon the conclusion of the four (4) year lease term, the City of Cuero has first option to purchase this equipment for \$163,553. The City of Cuero is 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 or 8,000 total hours over four (4) year program term.
- Minimum of 95% guaranteed equipment availability equates to a minimum of 7,600 available hours of use over the four (4) year program term.

<b>Payment Frequency</b>	<b>Cost Per Productive Hour</b>
Annual	\$36.73
Monthly	\$37.47

Under Texas Transportation Code Chapter 502, street sweepers are exempt from the requirement of titling, registering and plating in the State of Texas. As such, our proposal has made no such provisions or accommodations to provide these non-mandated services.

Prices quoted herein are in accordance with Sourcewell Cooperative Purchasing Contract # 093021-ELG.

Prices quoted herein are firm until October 31, 2022.

[See Addendum attached hereto and made a part hereof for all purposes as Exhibit A.](#)

Sincerely,



Daniel J. Federico  
Sales Manager

SIGNED BY:

Date: \_\_\_\_\_

Exhibit A Addendum attached to and forming part of the contract between the City of Cuero and Kinloch Equipment & Supply, Inc.

**Mile After Mile™ Program Agreement**

The intent of this agreement is to describe special terms and conditions for the City of Cuero to own and operate an Elgin Broom Bear truck mounted mechanical street sweeper mounted on a Freightliner M-2 106 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 Elgin Broom Bear 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 Cuero.

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 Cuero 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 City of Cuero holidays. A list of all City of Cuero 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 City of Cuero's main equipment shop and/or maintenance facility is normally open for operation. You shall supply KESI with this information upon award of this contract.

The term "in-service date" shall mean the date the City of Cuero's places the unit in operation. The City of Cuero 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 four (4) year term.
2. The training will require a minimum of one (1) day for operating and one (1) day for daily maintenance.
3. The City of Cuero is responsible for providing fuel, insurance, and operator for the street sweeper. Original equipment items listed in this paragraph to be utilized and will be supplied at fleet pricing.



4. The City of Cuero is responsible for the daily maintenance of the street sweeper 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.
    - b) Sweeper body and related components **with the exception of brooms.**
    - c) All repairs to chassis and related components. Operator damage is not included.
    - d) Repair of damage caused by City of Cuero personnel is not covered by this agreement and must be repaired to 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 Cuero's site.
  7. This proposal is based on total aggregate usage over a four (4) year term of not more than 8,000 engine hours. If 8,000 engine hours are reached prior to the four (4) year anniversary of the in-service date, the City of Cuero has the exclusive option to either:
    - Pay an hourly charge of \$82 per hour for each hour in excess of 8,000 hours until the end of the four (4) 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 Cuero 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 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, 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 Cuero 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 Cuero'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 Cuero 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.

- Equipment availability or in-service percentage (uptime) will be computed by the City of Cuero 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 Cuero will use the following formula to compute equipment availability at the end of each 100 consecutive, normal workday period:  $\text{Equipment Availability} = [(100 \text{ Days} - \text{Downtime}) / 100 \text{ Days}] \times 100\%$

NOTE: The term "Days" refers to normal workdays. The term "Downtime" refers to the total downtime accumulated during the 100 consecutive, normal workday period.

- KESI will credit the City of Cuero 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.
- 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 Cuero. The relief unit must be functionally equivalent to its replacement.
- This guarantee shall be in effect for a period of four (4) 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.

City of Cuero

Kinloch Equipment & Supply, Inc.

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_