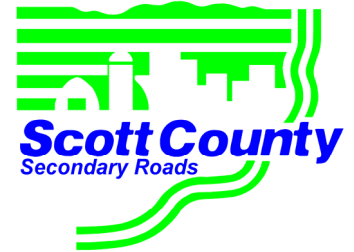


## SCOTT COUNTY ENGINEER'S OFFICE

950 E. Blackhawk Trail  
Eldridge, Iowa 52748

(563) 326-8640  
FAX – (563) 328-4173  
E-MAIL - [engineer@scottcountyiowa.gov](mailto:engineer@scottcountyiowa.gov)  
WEB SITE - [www.scottcountyiowa.gov](http://www.scottcountyiowa.gov)



ANGELA K. KERSTEN, P.E.  
County Engineer

ELLIOTT R. PENNOCK, E.I.T.  
Assistant County Engineer

TARA YOUNGERS  
Senior Administrative Assistant

### MEMO

TO: Mahesh Sharma  
County Administrator

FROM: Angie Kersten, P.E.  
County Engineer

SUBJ: Approval for Material Surcharges

DATE: October 31, 2023

On September 16, 2021, our department awarded a contract to Thompson Truck & Trailer for the purchase of a water truck for \$128,890.00.

In April 2022, Thompson Truck & Trailer reached out to us requesting a surcharge fee for material and tire costs for the cab and chassis. The original equipment manufacturer (OEM) had increased costs for heavy duty trucks built after December 31, 2021. Our truck had not been built yet, but was in line for production. In order for our truck to continue towards production, Thompson Truck & Trailer requested a surcharge fee of \$4,100. On April 28, 2022, a resolution was passed approving payment of the \$4,100 surcharge fee.

The cab and chassis was built in the second quarter of 2023 and has been waiting for outfitting of the Klein water tank system. Thompson Truck & Trailer recently reached out to us requesting a surcharge fee of \$7,958.67 for material cost increases for the Klein water tank system.

Many equipment manufacturers and heavy duty truck suppliers, like Thompson Truck & Trailer and Klein Products, Inc., are encountering difficulties with delays in production, material shortages, increases in freight costs, sufficient labor, surging costs for labor, scarcity of truck drivers, along with several other logistical challenges. We have been informed that the water tank system is scheduled to be installed on the cab and chassis in November 2023.

The annual inflation rate in the United States in 2021 was 7.0%, in 2022 was 6.5%, and so far in 2023 is 3.7%. The requested surcharge for the water truck is an overall increase of 9.4%.

The water truck is a vital piece of equipment utilized by our department. Based on the present state of heavy equipment manufacturing, I would not expect to obtain better pricing on this piece of equipment if we were to cancel this order and re-solicit bids. In addition, canceling this order would further delay production. I recommend amending our purchase agreement to include an additional cost of \$7,958.67 for the water truck.

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES  
THAT THIS RESOLUTION HAS BEEN FORMALLY  
APPROVED BY THE BOARD OF SUPERVISORS ON  
\_\_\_\_\_  
DATE  
\_\_\_\_\_  
SCOTT COUNTY AUDITOR

R E S O L U T I O N  
SCOTT COUNTY BOARD OF SUPERVISORS  
NOVEMBER 9, 2023

A RESOLUTION APPROVING A SURCHARGE FEE FOR THE PURCHASE OF  
ONE 2023 INTERNATIONAL HV607, 2,300-GALLON WATER TRUCK  
FOR SECONDARY ROADS

**BE IT RESOLVED BY** the Scott County Board of Supervisors as follows:

- Section 1. That the bid for one 2023 International HV607, 2,000-gallon water truck for Secondary Roads was approved on September 16, 2021, and awarded to Thompson Truck & Trailer, Davenport, IA, in the amount of \$128,890.00.
  
- Section 2. That a surcharge fee of \$4,100 for purchase of said 2023 International HV607, 2,000-gallon water truck was approved on April 28, 2022, and awarded to Thompson Truck & Trailer, Davenport, IA.
  
- Section 3. That the truck tank system and related equipment be upgraded to a Klein Model K230, 2,300 gallon capacity and that a surcharge fee of \$7,958.67 for purchase of said 2023 International HV607, 2,300-gallon water truck is hereby approved and awarded to Thompson Truck & Trailer, Davenport, IA.
  
- Section 4. This resolution shall take effect immediately.