

REPORT TO THE CITY COUNCIL

City of Salinas, California

DATE: January 24, 2017

FROM: Gary E. Petersen,
Public Works Director

BY: Larry Oda,
Superintendent of Maintenance Services

SUBJECT: **2017 NPDES STREET SWEEPER ACQUISITION**

RECOMMENDATIONS

Staff recommends that the City Council approve a resolution authorizing the purchase of a Current Model Year Elgin Whirlwind Street Sweeper, using a NJPA cooperative purchasing contract Number 10-13-2016 #2, from Owen Equipment Company at a cost of \$295,632.00, and enter into a six-year lease purchase agreement with Advantage Funding or the equivalent financing company.

It is further recommended that the City Council authorize the Purchasing Officer to complete future purchase of similar additional equipment on the same terms and conditions as approved herein on an “as needed” basis at the stated prices on attached document.

BACKGROUND:

The Maintenance Services Division of Public Works has funds available in CIP 9365 for a six-year lease purchase of a new street sweeper. The City of Salinas has relied on Elgin Eagle mechanical broom sweepers for over twenty years. Through much iteration of demonstrations and competitive bidding to find a cost effective sweeper to meet the needs of the City, and because of the long history of competent service and familiarity of maintenance needs of this particular sweeper, we have yet to find a more suitable unit to address the unique requirements of the City of Salinas.

With the increasing demands of our Storm Water Permit comes an increased load on our street sweeping program. The industry standard life span of a sweeper is five to seven thousand hours, or about five years. Our Sweepers are approaching eleven thousand hours. Because of our familiarity with the maintenance idiosyncrasies and intensive maintenance program, the City keeps its sweepers on the road far longer than the industry standard. But, there is a point where the cost to repair starts to exceed the cost to replace.

In 2010, the initiation of the ultimately unsuccessful attempt to transfer street sweeping responsibilities to Republic Services ceased our (then current) sweeper replacement effort. The delay caused by transfer negotiations has created a situation where the urgency for replacement has become acute. Council was last asked to approve purchase of a street sweeper on April 5, 2016. Today, Council is asked to authorize a lease purchase of a Current Model Year Elgin Whirlwind Street Sweeper using the National Joint Powers Alliance (NJPA) contract Number 10-13-2016 #2, at a cost of \$295,632.00 from Owen Equipment Company.

NJPA is a national municipal contracting agency that creates a business and service relationship alliance between buyers and suppliers. Through national solicitations they provide the opportunity for members to purchase equipment, goods, and services through nationally leveraged, competitively bid contracts.

The Elgin Street Sweepers has proven to be a reliable street sweeper for the City of Salinas. Its design minimizes maintenance cost and down time, a problem the City has experienced with other sweeper manufacturers. Maintenance Services currently maintains an inventory of Elgin Sweeper parts.

Council has the authority to approve this purchase under Salinas Municipal Code Sections 12-25 and 12-27. And, given the lack of local purveyors of this equipment, the purchase can be made without application of the local purchase preference requirements.

THE ISSUES:

Shall the City Council approve a resolution authorizing the purchase of a Current Model Year Elgin Whirlwind Street Sweeper, using a NJPA cooperative purchasing contract, from Owen Equipment Company at a cost of \$295,632.00, and enter into a six-year lease purchase agreement with Advantage Funding or the equivalent financing company?

Shall the City Council authorize the Purchasing Officer to complete future purchase of similar additional equipment on the same terms and conditions as approved herein on an “as needed” basis at the stated prices on attached document?

FISCAL IMPACTS:

Sufficient funds have been budgeted in Project #9365, NPDES Street Sweeper Acquisition.

CITY COUNCIL GOALS:

This project complements the City Council’s Excellent Infrastructure initiative by supporting the repair, maintenance, and improvement of City infrastructure and facilities.

ALTERNATIVES/IMPLICATIONS:

Council may elect to reject the NJPA cooperative purchase and conduct a formal bid. This is not recommended since the quote expires in 30 days.

CONCLUSIONS:

Staff recommends City Council approve a resolution to authorize the purchase of a Current Model Year Elgin Whirlwind Street Sweeper, using a NJPA cooperative purchasing contract, from Owen Equipment Company at a cost of \$295,632.00; and authorize the City Manager or the Finance Director to sign all appropriate lease purchase documents upon the review and approval as to form by the City Attorney of all documents, for a six-year lease purchase agreement with Advantage Funding. The authority granted to the Purchasing Officer to make future purchases of such equipment on the same terms and conditions as considered here will allow for the efficient purchase of future equipment to support the City’s maintenance work.

Back up Pages:
Resolution
Owen Equipment Quote