



Legislation Text

File #: 20-1673, **Version:** 1

Department of Transportation recommending the Board:

- 1) Approve the removal of one (1) cold-planer attachment on the Fixed Asset List totaling \$40,000;
- 2) Approve the addition of one (1) Felling tilt bed trailer to Department of Transportation's FY 2020-21 Fixed Asset List totaling \$40,000;
- 3) Approve removal of one (1) sand/media blaster on the Fixed Asset List totaling \$19,000;
- 4) Approve the \$3,000 price decrease on the Fixed Asset List for the twenty (20) foot container box, bringing the estimate from \$8,000 to \$5,000; and
- 5) Approve the \$22,000 price increase on the Fixed Asset List for the 6,000 gallon diesel storage tank, bringing the estimate from \$40,000 to \$62,000.

FUNDING: Road Fund.

DISCUSSION / BACKGROUND

The Department of Transportation (Transportation), Maintenance and Operations Division, is requesting authorization to add items to the Fixed Asset list and adjust cost estimates on other items. The additional equipment includes one (1) Felling tilt bed trailer, which is replacing an existing trailer that was involved in an accident.

Transportation is requesting a change in estimated costs currently on the 2020-21 Fixed Asset List, which would allow for the purchase of the 6,000 gallon tank without an increase in the overall budget for Transportation's fixed assets. In anticipation of the FY 2020-21 budget development process, and in order to request equipment for the Fixed Asset list, Transportation reached out to companies for approximate costs, reviewed equipment, researched estimates online, and attempted to anticipate possible increases/decreases for equipment prices as the market is very volatile. Equipment costs will often change with different tariffs, fees, seasons and construction demands.

The 6,000 gallon diesel storage tank was estimated at \$40,000 on the Fixed Asset list due to market value; however, Procurement and Contracts conducted a bid and the lowest bidder came in at approximately \$62,000.

The sand/media blaster was budgeted at \$19,000; however, due to the bid results of the 6,000 gallon diesel storage tank and environmental concerns associated with the current tank, the sand/media blaster fixed asset is requested to be removed from the 2020-21 Fixed Asset List and the funds be used on the 6,000 gallon diesel storage tank. Both the cold-planer and the sand/media blaster are items that are needed but the tank and the trailer are of higher importance. Removing the two items will not prevent work from being completed, as the sand/media blaster can be rented using the allocated budget for equipment rental, and there are no projects planned for Spring that require the cold-planer attachment.

In addition, the twenty (20) foot container box fixed asset was estimated at market value of \$8,000; however, the purchase price decreased by \$3,000. The reduction in price of the sand/media blaster and twenty (20) foot container will allow Transportation to increase the 6,000 gallon diesel storage

tank budget by \$22,000 for a new total of \$62,000.

Transportation is also requesting the addition of one (1) Felling tilt bed trailer totaling \$40,000. The removal of the cold-planer attachment from the 2020-21 Fixed Asset List totaling \$40,000 will allow for the acquisition without increasing the budgeted appropriations for Transportation's fixed assets for Fiscal Year 2020-21. The addition of the Felling tilt bed trailer is necessary to replace an existing trailer which was involved in a recent accident. Without the acquisition of the trailer Transportation would be required to rent a trailer continuously to transport equipment to various job sites.

ALTERNATIVES

The Board may elect to not approve the changes and additional fixed asset items as proposed, although this would leave Transportation with inadequate equipment to perform road maintenance and possibly in violation of environmental requirements.

PRIOR BOARD ACTION

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Procurement and Contracts

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

The proposed changes and additional fixed asset items result in no cost increases due to the reduction of cost in separate fixed asset items. Funding for this equipment is available in the Road Fund. No budget amendment is needed to include the items in Transportation's fixed asset listing. Should revenues allow for the Department to purchase the sand/media blaster and the cold-planer in FY 2021-22, these items will be included in the Department's budget request and requested fixed asset list.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Good Governance, Infrastructure

CONTACT

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