



Legislation Text

File #: 19-1045, **Version:** 1

Environmental Management Department recommending the Board:

- 1) Approve the addition of three (3) electric tankless water heaters to the Fiscal Year 2019-2020 fixed asset list, as a carryover purchase that was unable to be delivered during Fiscal Year 2018-2019;
- 2) Approve the addition of one (1) new 2020 Chevrolet Tahoe to the Fiscal Year 2019-2020 fixed asset list, as a carryover vehicle that was unable to be delivered during Fiscal Year 2018-2019; and
- 3) Authorize the Environmental Management Department to continue to move forward with said purchases, authorize payment of said purchases in order to meet discount terms prior to the adoption of the Fiscal Year 2019-2020 Final Budget process if needed, and return to the Board during the Final Budget adoption process with a budget amendment.

FUNDING: County Service Area No. 10 - Liquid Waste funds, County Service Area No. 10 - Solid Waste grant funds.

DISCUSSION / BACKGROUND

The Fiscal Year 2018-19 fixed asset list was approved by the Board during the adoption of the recommended budget and included the purchase of electric tankless water heaters as part of the tempered eyewash shower unit project. In February, 2019, the Board approved the addition of the 2019 Chevrolet Tahoe to the Fiscal Year 2018-19 fixed asset list as part of a budget transfer request from the Environmental Management Department (Environmental Management). Additional details for each of the requests are provided below.

Electric Tankless Water Heaters

The electric tankless water heaters are part of a project at the Union Mine Disposal Site to install tempered eyewash shower units at various locations for staff and customer safety in order to comply with Occupational Safety and Health Administration (OSHA) tempered water requirements for emergency eye, face, and drench shower units. These items have been included in previous years' budgets but were carried over to the following years due to the unanticipated number of other projects at the Union Mine Disposal Site and other delays. At the request of Environmental Management, the Chief Administrative Office, Procurement and Contracts Division, issued Bid No. 19-670-076 in April, 2019 and awarded the bid to Hydronic Specialties Company of Oakland, California on May 24, 2019. Due to budget constraints from a previous fixed asset not received during Fiscal Year 2017-18 and carried over to Fiscal Year 2018-19, as well as an oversight by Environmental Management, only two (2) of the three (3) electric tankless water heaters could be ordered at this time. Due to the anticipated delivery time being after the end of Fiscal Year 2018-19, Environmental Management would like to proceed with placing the order for all three (3) units prior to the final adoption of the budget in September. Additionally, this will result in slight cost savings as the bid reflected pricing based on the full order, included a payment terms discount, and included freight at no cost, but freight charges would be incurred if the purchase was separated into multiple orders. This will also eliminate the need to rebid the units should Environmental Management need to wait until September for the Adopted Budget. The total cost of the three (3) electric tankless water heaters is estimated at \$37,274.44, including sales tax and less the vendor's discount terms.

Certified Unified Program Agency Vehicle

On February 26, 2019 (Item No. 22, File No. 19-0205), the Board approved the addition of one (1) new 2019 Chevrolet Tahoe, four-wheel drive, special service vehicle, to be used for inspections and hazardous materials incident response activities under Environmental Management's Certified Unified Program Agency (CUPA). As part of this item, the Board approved a budget transfer to allow for the purchase of the vehicle, with \$41,000 allocated as a fixed asset. Once the funding was made available, a purchase order was created and submitted to the vendor on March 26, 2019 to place the order. Upon receipt of the purchase order, Environmental Management was notified by the vendor that the factory was no longer accepting orders for the 2019 model and would not open until sometime in May, 2019 to begin production of the 2020 model, with an estimated delivery in September, 2019. The vendor confirmed that they will be able to hold the pricing for the purchase of the 2020 model at the price of the requested 2019 model. Funding for this vehicle purchase is provided by a grant awarded by the CUPA Forum Environmental Protection Trust Fund. The grant had an initial term end date of June 30, 2019, but at the request of Environmental Management, it has been extended based on the delays encountered with purchasing this vehicle. The total cost of the vehicle purchase is estimated at \$39,788.70, including sales tax, fees, and delivery.

ALTERNATIVES

The Board may choose not to approve the proposed additions of the three (3) electric tankless water heaters and one (1) 2020 Chevrolet Tahoe to the Fiscal Year 2019-20 fixed asset list. This would result in Environmental Management having to rebid the electric tankless water heaters and begin the procurement process again following budget adoption in September. The purchase order has already been issued for the vehicle, but it would need to be cancelled and the vehicle would need to be added to the fixed asset list and budget during the 2019-20 Final Budget process, which would very likely result in forfeiture of the grant funds awarded for this purchase.

PRIOR BOARD ACTION

See Discussion/Background above.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION / COMMENTS

It is recommended that the Board approve this item.

FINANCIAL IMPACT

There is no change to Net County Cost associated with the proposed additions to the Fiscal Year 2019-20 fixed asset list. Funding for these purchases was included in the Fiscal Year 2018-19 budget and Environmental Management is proposing to carry this funding over to the Fiscal Year 2019-20 Budget through the Final Budget process.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Infrastructure, Public Safety, Healthy Communities

CONTACT

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