



## Legislation Text

**File #:** 19-1322, **Version:** 1

Department of Transportation recommending the Board:

- 1) Approve the addition of two (2) Morbark chippers to the Department of Transportation's FY 2019-20 Fixed Asset List totaling \$99,621.46;
- 2) Approve the \$78,697.54 price decrease on the Fixed Asset List for the highflow skidsteer bringing the revised budget from \$161,664 to \$82,966.46;
- 3) Approve the \$20,923.92 price decrease on the Fixed Asset List for the paving machine bringing the revised budget from \$301,000 to \$280,076.08;
- 4) Make findings that the purchase of two (2) Morbark chippers and one (1) aerial bucket truck are exempt from competitive bidding in accordance with Purchasing Ordinance 3.12.160, Section D;
- 5) Authorize the Purchasing Agent to utilize the Sourcewell, formally known as National Joint Powers Alliance (NJPA), competitively bid Contract 062117-MBI for the acquisition of two (2) Morbark chippers for the Department of Transportation, Maintenance and Operations Division;
- 6) Authorize the Purchasing Agent to sign a purchase order to the awarded Sourcewell vendor, Morbark of Winn, Michigan in the amount of \$88,775.26 plus applicable delivery, fees and taxes (estimated at \$10,846.20) for a one time purchase for two (2) Morbark chippers following Board approval;
- 7) Authorize the Purchasing Agent to utilize the Sourcewell, formally known as NJPA, competitively bid Contract 012418-ALT for the acquisition of one (1) aerial bucket truck for the Department of Transportation, Maintenance and Operations Division; and
- 8) Authorize the Purchasing Agent to sign a purchase order to the awarded Sourcewell vendor, Altec Industries of Dixon, CA in the amount of \$139,594.00 plus applicable delivery, fees and taxes (estimated at \$10,221.00) for a one time purchase for one (1) aerial bucket truck following Board approval.

**FUNDING:** Road Fund (State) and SB1- RMRA (State).

### **DISCUSSION / BACKGROUND**

The Department of Transportation, Maintenance and Operations Division, (Transportation) is requesting authorization to add items to the Fixed Asset list and purchase equipment. The equipment includes two (2) Morbark chippers and one (1) aerial bucket truck, which are replacing existing equipment. The two (2) Morbark chippers were not identified on the original FY 2019-20 Fixed Asset list; however, savings was identified from the purchase of the highflow skidsteer and paving machine which allows Transportation to request the two (2) Morbark chippers without increasing FY 2019-20 Fixed Asset budget. The two (2) chippers fall under Air Resource Board (ARB) regulations and will be required to either be replaced or removed as the current Morbark chippers do not meet the Tier 4 requirement by ARB. Although the Morbark chippers can continue to be used at this time, use above a limited number of hours is prohibited. The department has been increasing roadside vegetation removal as a result of Vegetation Management Ordinance, and the additional chippers will aid in this effort. The one (1) aerial bucket truck was identified on the FY 2019-20 Fixed Asset list.

The two (2) Morbark chippers and one (1) aerial bucket truck will be purchased utilizing Sourcewell competitively bid Contracts 062117-MBI and 012418-ALT. The County Purchasing Ordinance,

Section 3.12.160, describes exceptions that may be made under (D) of this section, which requires that the item may be procured from a vendor that has a contract with another public agency; that the contract was awarded utilizing a competitive bidding process substantially the same as the County's; and that the item terms of the transaction are the same, or substantially the same. For this purchase, Transportation is able to utilize the Sourcewell competitively-bid Contract 062117-MBI for the purchase of two (2) Morbark chippers and Contract 012418-ALT for the purchase of one (1) aerial bucket truck.

Transportation is also requesting a change in the individual equipment budgets currently on the FY 2019-20 Fixed Asset List, which would allow for the purchase of the additional equipment without an increase in the overall budget for Transportation's fixed assets. In anticipation of the FY 2019-20 budget development process, and in order to request equipment for the Fixed Asset list, the Department 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 highflow skidsteer was estimated at \$161,664 on the current Fixed Asset list due to market value; however, the equipment was competitively bid and a substantial savings was identified once the bid was awarded. Transportation would like the revised budget to reflect the procurement price of \$82,966.46 (a decrease of \$78,697.54). The paving machine was estimated at \$301,000 on the current Fixed Asset List; however, due to savings from using the competitively-bid Sourcewell contract the revised budget amount should reflect \$280,076.08 (a decrease of \$20,923.92). The reduction in price of the highflow skidsteer and paving machine will allow Transportation to acquire two (2) Morbark chippers without increasing the budgeted appropriations for Transportation's fixed assets for Fiscal Year 2019-20.

## **ALTERNATIVES**

The Board may elect to not approve the purchase of the aerial bucket truck or approve the two (2) additional fixed asset Morbark chippers purchased with FY 2019-20 Fixed Asset savings; however, this would leave Transportation with inadequate equipment to perform brushing services on County roadways.

## **PRIOR BOARD ACTION**

N/A

## **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

County Counsel approved the Sourcewell contracts

## **CAO RECOMMENDATION / COMMENTS**

It is recommended that the Board approve this item.

## **FINANCIAL IMPACT**

The proposed purchase and additional fixed asset items result in no increase to Net General Fund cost due to savings realized from procured fixed asset items. Funding for this equipment is available in the Road Fund partially due to Road Repair and Accountability Act of 2017 (SB1-RMRA) revenue. No budget amendment is needed to purchase the items. Existing Fixed Asset appropriations will be re-allocated between Fixed Asset items as detailed above.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

N/A

**STRATEGIC PLAN COMPONENT**

Good Governance, Infrastructure

**CONTACT**

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