

MEMORANDUM

TO: CITY COUNCIL

FROM: DEBBIE MALICOAT, DIRECTOR OF ADMINISTRATIVE SERVICES

BY: RAUL JUAREZ, FLEET MAINTENANCE COORDINATOR
GLENDA BONER, ADMINISTRATIVE SECRETARY

SUBJECT: CONSIDERATION OF THE PURCHASE OF PUBLIC WORKS
DEPARTMENT REPLACEMENT VEHICLES

DATE: AUGUST 22, 2017

RECOMMENDATION:

It is recommended the City Council:

1. Approve the plan for replacement of Public Works vehicles and equipment in FY 2017-18;
2. Authorize the purchase of three (3) replacement service trucks from Mullahey Ford of Arroyo Grande, for the total amount of \$73,647.18;
3. Authorize the purchase of a replacement Dump Truck from Gibbs International, Inc. of Santa Maria, in the amount of \$149,012.26;
4. Authorize the purchase of an Alternative Fuel Vehicle (Hybrid) from Mullahey Ford of Arroyo Grande in the amount of \$21,985.11;
5. Authorize the purchase of a Mini Excavator from Berchtold Equipment Company in the amount of \$62,634.00;
6. Delegate authority to the City Manager to execute all necessary purchase orders or documents to facilitate the purchase of planned vehicles and equipment; and
7. Adopt a Resolution declaring four vehicles surplus and authorize their disposal.

SUMMARY OF ACTION:

Take action to approve the purchase of the replacement vehicles and aftermarket products (radios, light bars, truck beds, etc.).

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The replacement of the Public Works vehicles is proposed through a lease/purchase arrangement utilizing the services of a municipal financing firm. Payments for a four (4) year lease/purchase arrangement were allocated in various Public Works Divisions for the FY 2017/18 budgets. Approval of the lease/purchase agreement is recommended under a separate agenda item.

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 REPLACEMENT VEHICLES
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BACKGROUND:

The Public Works Department currently has 39 vehicles/equipment in operation. The FY 2017-18 adopted budget includes funds for replacing aging vehicles in the Public Works Department fleet. The annual allocation of replacement funds is intended to cover a four (4) year lease payment arrangement with a municipal financing company. A separate recommendation to the City Council for the selection of a financing firm for the lease/purchase agreement will be presented to the City Council tonight under a separate agenda item.

After assessing the condition of the fleet, a plan for replacements was developed. The decision to purchase new equipment or vehicles is based on the age, mileage/use, condition, and maintenance records of existing equipment as well as current operational needs. The following chart summarizes the planned vehicle and equipment acquisitions:

Current Vehicle/Equipment	Proposed Vehicle/Equipment	Vendor	Purchase Price/Estimate
P-56 (Parks)	F-250	Mullahey Ford	\$ 24,550
P-59 (Parks)	F-250	Mullahey Ford	24,550
PW-10 (Water)	F-250	Mullahey Ford	24,550
PW-50 (shared)	Dump Truck	Gibbs International	149,012
New (shared)	CMAX	Mullahey Ford	21,985
New (shared)	Mini Excavator	Berchtold Equip. Co.	62,634
PW-47 (Streets)	Striper		30,000 (est.)
New (Streets/Parks)	Used bucket truck		45,000 (est.)
New (Streets/Parks)	Skid steer		40,000 (est.)
		Total	\$ 422,281

In addition to the purchase of the vehicles, there will be approximately \$56,000 in additional costs for aftermarket equipment such as radios, light bars, truck beds, tool boxes and decals in order to make the vehicles ready for use.

ANALYSIS OF ISSUES:

The Public Works Department vehicle fleet is aging with many of the vehicles and equipment currently in use beyond their productive life. As the fleet ages, the cost of maintaining the vehicles and equipment increases. In addition to the repair costs, the increased downtime of the aging vehicles while being repaired impacts the department's level of service. The typical anticipated replacement cycle for a service vehicle is 10 years. The Fleet Maintenance Coordinator has been successful in extending the useful life of the current vehicles as the average age of the vehicles proposed for replacement is approximately 15 years.

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An additional consideration for replacement of certain vehicles and equipment is compliance with the Air Pollution Control District (APCD) diesel emission standards. The City's current dump truck does not meet the standards and retrofitting is not available for this particular engine. This large vehicle is used by streets, parks, water and sewer in maintaining the City's infrastructure.

An analysis of the current fleet and operational needs identified vehicles that could be "swapped" between departments or divisions to better utilize the fleet and thus reduce the number of vehicles that are in need of replacement at this time. In addition, it identified a need for a shared vehicle for Public Works administrative staff. In compliance with the City's greenhouse gas policy, this was identified as an appropriate use for an alternative fuel vehicle. The Streets and Parks divisions both identified the need to have a small excavator, a skid steer and a bucket truck with a longer reach than the current bucket truck. In addition, the equipment used to apply striping to streets was previously identified as inoperable and surplus, but has not yet been replaced. The plan proposes purchasing a new shared mini excavator and skid steer, a street striping machine, as well as purchasing a used bucket truck, which would allow the existing bucket truck to continue to be used for many "shorter reach" operations, and extend its useful life.

Bid documents for the replacement of three (3) service trucks, a new alternative fuel vehicle (hybrid), replacement dump truck, and the purchase of a new mini excavator were distributed on July 7, 2017. Twenty-four (24) bids were received by the due date of July 27, 2017. The apparent low bid for the mini excavator as well as for the dump truck was deemed unresponsive due to not including required cost components. A copy of the bid summaries for the vehicle purchases is attached. The plan identified purchasing a used bucket truck to supplement the current bucket truck as well as a skid steer. These two items are not part of this report and it is recommended that the Council delegate approval of the future purchase contracts for these items to the City Manager, provided the acquisition is within the Council approved budget.

It is recommended that the three service trucks and one dump truck that are being replaced be declared as surplus property and disposed of in accordance with the City's policy. The attached Resolution accomplishes this action.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Authorize the proposed vehicle purchases;
2. Do not authorize the purchase of the proposed vehicles;
3. Direct staff to re-bid the proposed vehicle replacements; or
4. Provide direction to staff.

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ADVANTAGES:

The following advantages have been identified for the vehicle purchases:

1. Replacement of the aging vehicles will reduce maintenance costs and downtime.
2. Certain vehicles no longer meet current Air Pollution Control District (APCD) diesel emission standards. Replacement vehicles will comply with new emission standards.
3. The lease/purchase arrangement will allow for consistency in funding for vehicles over an extended period of time.

DISADVANTAGES:

No disadvantages have been identified.

ENVIRONMENTAL REVIEW:

No environmental review is required for this administrative action.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachment:

1. Quotation Opening Log Sheets

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DECLARING FOUR UNUSED VEHICLES AS SURPLUS PROPERTY AND AUTHORIZING THEIR SALE OR DISPOSAL

WHEREAS, the City of Arroyo Grande ("City") owns four vehicles that are no longer used or needed; and

WHEREAS, these items can be classified as surplus property and made available for sale to private parties or disposed of.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Arroyo Grande does declare as surplus property the vehicles described in Exhibit A attached hereto and incorporated herein by this reference, and authorizes the sale/disposal of said surplus property in compliance with authorized disposition procedures.

On motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

the foregoing Resolution was passed and adopted this 22nd day of August, 2017.

**RESOLUTION NO.
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JIM HILL, MAYOR

ATTEST:

KELLY WETMORE, CITY CLERK

APPROVED AS TO CONTENT:

JAMES A. BERGMAN, CITY MANAGER

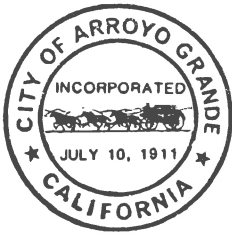
APPROVED AS TO FORM:

HEATHER WHITHAM, CITY ATTORNEY

EXHIBIT A

SURPLUS VEHICLES AVAILABLE FOR DISPOSITION

Identification #	Year	Make	Model
P-56	2000	Chevrolet	Silverado
P-59	2003	Ford	F-350
PW-50	1993	International	Dump Truck
PW-10	2006	Ford	F-250



**CITY OF ARROYO GRANDE
QUOTATION OPENING LOG SHEET**

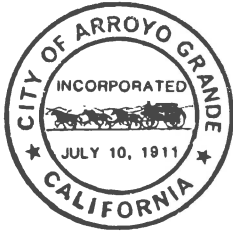
**DEADLINE: THURSDAY, JULY 27, 2017 – 2:00 PM
RFQ NAME: MINI EXCAVATOR PURCHASE**

<u>SUBMITTED BY:</u>	<u>TOTAL</u>
1. Coastline Equipment Santa Maria, CA 93456	\$64,596.13
2. JCB of Southern California Fontana, CA 92336	\$52,719.83
3. Berchtold Equipment Company Santa Maria, CA 93455	\$53,088.75
4. Berchtold Equipment Company Santa Maria, CA 93455	\$62,634.00
5. Sequoia Equipment Company Fresno, CA 93745	\$62,810.27
6. Sequoia Equipment Company Fresno, CA 93745	\$65,817.34
7. Quinn Company Santa Maria, CA 93454	\$66,266.25
8. Quinn Company Santa Maria, CA 93454	\$67,343.75



Raul Juarez, Fleet Maintenance Coordinator

C: Director of Public Works
Capital Improvement Project Manager
City Manager
City Website



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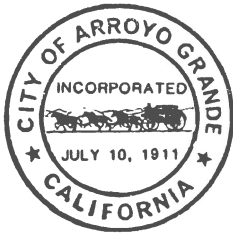
**DEADLINE: THURSDAY, JULY 27, 2017 – 2:00 PM
RFQ NAME: ALTERNATIVE FUEL VEHICLE (HYBRID) PURCHASE**

<u>SUBMITTED BY:</u>	<u>TOTAL</u>
1. Home Motors Santa Maria, CA 93456	\$28,361.43
2. Honda of Santa Maria Santa Maria, CA 93455	\$28,395.40
3. Perry Ford San Luis Obispo, CA 93401	\$24,983.99
4. Mullahey Ford Arroyo Grande, CA 93420	\$21,985.11
5. Santa Maria Chrysler Dodge Jeep Ram Fiat Santa Maria, CA 93454	\$43,034.40

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Raul Juarez, Fleet Maintenance Coordinator

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**DEADLINE: THURSDAY, JULY 27, 2017 – 2:00 PM
RFQ NAME: 12 – 14 YARD DUMP TRUCK PURCHASE**

<u>SUBMITTED BY:</u>	<u>TOTAL</u>
1. Coast Counties Truck and Equipment San Jose, CA 95112	\$166,683.77
2. Fred M. Boerner Motor Co. (DBA RWC Group) Huntington Park, CA 90255	\$138,250.00
3. Advanced Truck Body & Equipment Co. Central Point, OR 97502	\$159,260.00
4. Bakersfield Truck Center Bakersfield, CA 93308	\$188,088.93
5. Gibbs International, Inc. Santa Maria, CA 93455	\$149,012.26
6. Pape Kenworth Santa Maria, CA 93458	\$152,942.00

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Raul Juarez, Fleet Maintenance Coordinator

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**DEADLINE: THURSDAY, JULY 27, 2017 – 2:00 PM
RFQ NAME: 3/4 TON SERVICE TRUCK PURCHASE (3 VEHICLES)**

<u>SUBMITTED BY:</u>	<u>TOTAL</u>
1. Home Motors Santa Maria, CA 93456	\$85,056.75
2. Reynolds Buick, Inc. West Covina, CA 91791	\$78,251.13
3. Borjon Auto Center Paso Robles, CA 93447	\$84,471.06
4. Perry Ford San Luis Obispo, CA 93401	\$72,973.68
5. Mullahey Ford Arroyo Grande, CA 93420	\$73,647.18
6. Santa Maria Chrysler Dodge Jeep Ram Fiat Santa Maria, CA 93454	\$82,726.53

Raul Juárez, Fleet Maintenance Coordinator

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