



Legislation Text

File #: 17-613, **Version:** 1

Report Prepared by: Dan Arnold, Public Works Manager - Operations

SUBJECT: Supplemental Appropriation from the Refuse Unappropriated, Unreserved Fund Balance and Award a Contract to Alliance Refuse Trucks, Inc., for the Refurbishment of Two Refuse Trucks

REPORT IN BRIEF

Considers approving a supplemental appropriation from the refuse unappropriated, unreserved fund balance and awarding a contract to Alliance Refuse Trucks to refurbish one front-loading and one side-loading garbage truck.

RECOMMENDATION

City Council - Adopt a motion:

- A. Appropriating from Fund 558-Refuse Unappropriated, Unreserved Fund Balance in the amount of \$336,330 for the refurbishment of two refuse trucks, and;
- B. Awarding a contract to Alliance Refuse Trucks, Inc., in the amount of \$295,900 to refurbish one front loading and one side loading garbage truck; and,
- C. Authorizing the City Manager or Assistant City Manager to execute the necessary documents and the Interim Finance Officer to make the necessary budget adjustments.

ALTERNATIVES

- 1. Approve, as recommended by staff; or,
- 2. Approve, subject to conditions other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
- 3. Deny; or,
- 4. Refer to staff for reconsideration of specific items; or,
- 5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Title 3, Article III of the Merced Municipal Code, purchases over twenty five thousand dollars.

CITY COUNCIL PRIORITIES

As provided for in the FY 2017/18 Council Priorities under Operational Sustainability.

DISCUSSION

On May 15, 2017, the City Council authorized the funding for a refurbishing pilot program to allow for two garbage trucks to be refurbished. Due to time constraints, the bid process was not able to be completed by the end of the 2016/17 fiscal year. The Public Works Solid Waste Division is again requesting permission to allocate available unappropriated fund balance to establish the pilot program and complete the necessary work on one automated side-loader and one front-loading garbage truck, nearing the recommended replacement age.

A Request for Proposal was prepared and opened to the public on November 9, 2017 with a closing date of November 28, 2017. Only one company submitted a proposal, Alliance Refuse Trucks of Gilbert, Arizona. The cost to refurbish the front-loading garbage truck was \$149,950 and the cost to refurbish one side-loading automated garbage truck is \$145,950; totaling \$295,900. The addition of potential applicable state sales tax increases the cost to approximately \$320,312.

Based upon the most recent purchases of new garbage trucks, the approximate cost of one new front-loading truck is \$254,400 and one new automated side-loading garbage truck is \$286,900. The combined total to replace the two proposed refurbished vehicles would be \$541,300. The savings realized for refurbishing the vehicles instead of replacing would be over \$220,000.

An appropriation of \$336,330 is requested from the Refuse Unappropriated, Unreserved Fund balance to cover the proposed cost to refurbish the two trucks, plus a 5% contingency to cover possible unforeseen expenses. If successful, staff will likely budget for additional refurbishments in future fiscal years.

IMPACT ON CITY RESOURCES

An appropriation in Fund 558-Refuse Unappropriated, Unreserved Fund Balance for \$336,330 is necessary. Sufficient unreserved fund balance exists to cover the cost.

ATTACHMENTS

1. Professional Services Agreement