



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: JUNE 18, 2019**

**FROM: GENERAL SERVICES DEPARTMENT** **WARDS: ALL**

**SUBJECT: APPROVE PURCHASE OF REPLACEMENT TRUCK MOUNTED STRIPING MACHINE FROM EZ-LINER INDUSTRIES OF ORANGE CITY, IOWA FOR THE PUBLIC WORKS DEPARTMENT/STREET MAINTENANCE DIVISION IN ACCORDANCE WITH PURCHASING RESOLUTION 23256, SECTION 602 (E) AND SECTION 602 (M) IN THE AMOUNT OF \$257,754**

## **ISSUE:**

Approve purchase of replacement Truck Mounted Striping Machine from EZ-Liner Industries of Orange City, Iowa for the Public Works Department/Street Maintenance Division in accordance with Purchasing Resolution 23256, Section 602(e) and Section 602(m) in the amount of \$257,754.

## **RECOMMENDATION:**

That the City Council:

1. Approve the purchase of a replacement Truck Mounted Striping Machine from EZ-Liner Industries for the Public Works Department/Street Maintenance Division in accordance with Purchasing Resolution 23256, Section 602(e) in the amount of \$190,065, including delivery charge; and
2. Approve the purchase of the chassis and other sourced goods to support the Truck Mounted Striping Machine from EZ-Liner Industries for the Public Works Department/Street Maintenance Division in accordance with Purchasing Resolution 23256, Section 602(m) in the amount of \$67,689.

## **BACKGROUND:**

The Public Works Department/Street Maintenance Division operates a fleet of street maintenance vehicles. The division is responsible for various street maintenance operations such as paving, slurry seal, concrete repairs, sign repair/replacement, including application of roadway striping, crosswalks, and other roadway markings throughout the City. The current Truck Mounted Striping Machine is 19 years old and has been plagued with repairs resulting in increased equipment downtime.

The Truck Mounted Striping Machine is necessary to maintain the safety and visibility of roadway markings on all roadways throughout the City. The current equipment uses diesel fuel and is equipped with an after treatment device which will be out of compliance with air quality regulations on January 1, 2020. The replacement equipment is in compliance with South Coast Air Quality Management District (SCAQMD) rules and supports the City's ongoing efforts to preserve local air quality and maintain the City's position as a leader in clean air initiatives.

## **DISCUSSION:**

The General Services Fleet Division evaluates all vehicle and equipment purchases and replacement requests to ensure the efficient management of city assets. Many city vehicles and equipment are included in the Fleet Motor Pool Replacement Program which means funds are set aside monthly for future replacement. The Replacement Program provides a sound and predictable fiscal approach to funding equipment needs over the long term. However, it has not been the practice to include on road equipment, like the truck mounted striping machine (Striper), in the program, which means departments must either request supplemental appropriations or absorb costs in their budgets for essential equipment.

Public Works has a need to begin replacing its aging fleet of on road equipment to ensure ongoing compliance with SCAQMD rules and to support the City's core mobility and transportation infrastructure, such as street maintenance, painting and striping, and emergency response. The Truck Mounted Striping Machine will enable efficient, reliable and safe operations to support the increased momentum associated with street maintenance slurry and paving operations.

EZ-Liner Industries (Member ID #2410) holds a Cooperative Agreement (Contract No. 052417-EZL) with National Joint Powers Alliance (NJPA), also known as Sourcewell. Purchasing Resolution Section 602(e) states that "Competitive Procurement through Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances:...(e) When Cooperative Purchasing is available and undertaken or when Goods can be obtained through Federal, State and/or other public entity pricing contracts or price agreements..."

Local and other known manufacturers were considered, however their chassis recommendations would only support diesel fuel, which is not in line with our air quality rules. Other non-diesel fuel chassis do not meet the City's paint load requirements for operational efficiency. The proposed striping equipment and sourced goods are connected to the chassis and this configuration supports an efficient striping operation of the truck mounted striping machine.

Staff negotiated a 5.3% discount off the cost of the chassis. The purchase of this equipment is in the best interest of the City since the proposed chassis supports the striper, paint load requirements, and equipment assembly. Purchasing Resolution 602 (m) states.... "When approved by the Manager, the City requires goods not subject to the bidding requirements... which are of a nature that suitable technical or performance specifications describing them are not readily available and cannot be developed in a timely manner to meet the needs of the City, in which case the Manager shall be authorized to negotiate with any person or persons for the procurement thereof upon the price, terms and conditions deemed by the Manager to be in the best interest of the City and in doing so may utilize informal procurement or negotiated procurement process."

EZ-Liner Industries has agreed to provide a Truck Mounted Striping Machine, Model AL-220-EZ to the City at the cost of \$257,754 per Sourcewell Contract No. 052417-EZL to replace the following truck No. D037.

Retired Asset No.	Year Make Model	In-Service Date	Mileage	Replacement Reason
D037	Chevrolet	2001	56,661	Repair costs have increased beyond the value of the equipment, and increased usage has resulted in additional vehicle deterioration. The unit is equipped with a diesel engine which will be non-compliant with SCAQMD rules as of January 1, 2020.

### Future Needs

To more strategically plan for capital equipment needs, the Public Works Department is proposing to include the costs for replacing this Striper in the Replacement Program beginning in FY 2019/20. Timely replacement will offset significant maintenance costs associated with aging equipment. To date, total maintenance costs on the existing equipment is \$170,581, which averages \$9,476 per year.

The replacement cycle for this equipment is 15 years, and assumes a 2.5% inflationary factor for a future estimated replacement cost of \$367,560. The annual replacement fund would set aside \$2,042 per month (\$24,504 annually) to ensure funds are available when a replacement is needed.

The Purchasing Manager concurs that the recommendation is in compliance with Purchasing Resolution No. 23256, Section 602 (e) and Section 602 (m). The Public Works Director concurs with this report.

### **FISCAL IMPACT:**

The total cost for the truck mounted striping machine is \$257,754. Sufficient funds are available in the Public Works Department Automotive Equipment Account No. 4110100-462100 for the purchase and delivery of a replacement truck mounted striping machine.

Staff anticipates a motor pool contribution of approximately \$24,504 per year over 15 years for a total cost of \$367,560 to replace the Striper, which funds will be budgeted by the Public Works Department / Streets Division in future budget cycles and set aside in the Fleet Motor Pool Replacement Fund.

Prepared by: Carl Carey, General Services Director  
 Certified as to availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer  
 Approved by: Moises Lopez, Deputy City Manager  
 Approved as to form: Gary G. Geuss, City Attorney

**Attachments:**

1. EZ-Liner Draft Proposal
2. NJPA Request for Proposal (RFP) #052417
3. Request for Proposal #052417
4. Contract Award RFP #052417