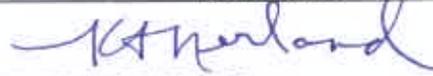


AGENDA ITEM NO. 1 A

COUNCIL MEETING: April 23, 2009

APPROVED BY



DEPARTMENT DIRECTOR

CITY MANAGER



April 23, 2009

**FROM:** KENNETH A. NERLAND, Director  
General Services Department

**BY:** JAMES H. SCHAAD, Manager  
GSD/Fleet Management Division 

**SUBJECT:** AWARD A REQUIREMENTS CONTRACT IN THE AMOUNT OF \$1,029,247.24 TO  
MUNICIPAL MAINTENANCE EQUIPMENT, INC. OF SACRAMENTO, CA FOR STREET  
SWEEPERS  
BID FILE NO. 9018

**KEY RESULT AREA**

Customer Service

**RECOMMENDATIONS**

Staff recommends that the City Council award a one year Requirements Contract, with provisions for two one-year extensions, for street sweepers in the amount of \$1,029,247.24 to Municipal Maintenance Equipment, Inc. of Sacramento, CA.

**EXECUTIVE SUMMARY**

The General Services Department, Fleet Management Division, is seeking to establish a Requirements Contract for street sweepers to be used by the Community Sanitation Division of the Department of Public Utilities within the City of Fresno. The street sweepers are used daily to remove debris from storm gutters and roadways providing essential services in protecting storm water quality and reducing the risk of flooding along city streets. In addition, the sweepers reduce particulate matter pollution from neighborhoods by removing dirt and debris from roadways that otherwise would become airborne and inhaled.

The majority of street sweepers purchased under this contract will replace units that have reached or exceeded the end of their economic life. There is currently an immediate need to replace four units, one that is a total loss due to a fire and three others that have excessive downtime and repair costs. The new sweepers are equipped with the latest technology to reduce dust while sweeping and are compliant with South Coast Air District Rule 1186. In addition, the new sweepers are powered by compressed natural gas (CNG) engines that meet 2010 emission standards making these sweepers the cleanest operating units available. The use of CNG fuel in the new sweepers also has the added financial benefit of a 50% fuel cost saving compared to the existing diesel-powered sweepers. The four (4) unit quantity listed in the bid specifications were for bidding purposes only and are representative of the average number of street sweepers that are purchased each year. Actual quantities will vary and be dependent on appropriations approved by the City Council in the Adopted Budget.

## REPORT TO THE CITY COUNCIL

Award Requirements Contract for street sweepers

April 23, 2009

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### **KEY OBJECTIVE BALANCE**

The establishment of a Requirements Contract for the purchase of street sweepers will balance all the Key Objectives. Customer Satisfaction and Employee Satisfaction will be enhanced through the efficient replacement of obsolete diesel-powered street sweepers that no longer meet the operational availability requirements of the Community Sanitation Division where they are assigned. Financial Management will be enhanced by a 50% reduction in fuel costs through the use of compressed natural gas and in reduced maintenance cost.

### **BACKGROUND**

The General Services Department, Fleet Management Division, is seeking to establish a Requirements Contract for street sweepers to be used by the Community Sanitation Division of the Department of Public Utilities within the City of Fresno. The street sweepers are used daily to remove debris from storm gutters and roadways providing essential service in protecting storm water quality and reducing the risk of flooding along city streets. In addition the sweepers reduce particulate matter pollution from neighborhoods by removing dirt and debris from roadways that otherwise would become airborne and inhaled.

The majority of street sweepers purchased under this contract will be replacements for units that have reached or exceeded the end of their economic life. There is currently an immediate need to replace four units, one that is a total loss due to a fire and three others that have excessive downtime and repair costs. The new sweepers are equipped with the latest technology to reduce dust while sweeping and are compliant with South Coast Air District Rule 1186. In addition, the new sweepers are powered by compressed natural gas (CNG) engines that meet 2010 emission standards making these sweepers the cleanest operating units available. The use of CNG fuel in the new sweepers also has the added financial benefit of a 50% fuel cost saving compared to the existing diesel-powered sweepers. The four (4) unit quantity listed in the bid specifications were for bidding purposes only and are representative of the average number of street sweepers that are purchased each year.

Specifications for a two-phase bid process were prepared and sent out to four prospective bidders. A Notice Inviting Bids was published on August 27, 2008, and posted on the City's website. The bid was processed in two phases, the first phase of which was to pre-qualify acceptable street sweepers. The City received four different street sweeper bids from three prospective bidders. Three of the four sweepers were qualified for Phase 2 bids. Three bid proposals were received at a public bid opening on December 5, 2008. Bid amounts ranged from \$1,029,247.24 to \$1,175,782.97. The bid proposal from Municipal Maintenance Equipment, Inc. of Sacramento, CA in the amount of \$1,029,247.24 is the lowest responsive bid proposal for this project. This staff determination was posted on the City's website on January 5, 2009. The low bid is approximately 8% higher than the preliminary budget estimates which staff feels is reasonable in light of the savings from fuel costs and the fact that the new sweepers will be less detrimental to air quality.

Staff recommends that the City Council award a one year Requirements Contract, with provisions for two one-year extensions, for street sweepers in the amount of \$1,029,247.24 to Municipal Maintenance Equipment, Inc. of Sacramento, CA.

### **FISCAL IMPACT**

Funding is available for street sweeper purchases in the Fleet Replacement Fund appropriations approved in the Adopted FY 09 Budget.

Attachments: Fiscal Impact Statement  
Evaluation of Bid Proposals

## FISCAL IMPACT STATEMENT

PROGRAM:

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	<u>\$1,029,247.24</u>	_____
Indirect Cost	_____	_____
TOTAL COST	<u>\$1,029,247.24</u>	_____
Additional Revenue or Savings Generated	_____	_____
Net City Cost	<u>\$1,029,247.24</u>	_____
Amount Budgeted (If none budgeted, identify source)	<u>\$1,100,000.00</u>	_____

FOR: REQUIREMENTS CONTRACT FOR STREET SWEEPERS

Bid File No. 9018  
Bid Opening: 12/5/08

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BIDDER'S	TOTAL NET BID AMOUNT
1. Municipal Maintenance Equipment, Inc. 2360 Harvard Street Sacramento, CA 95815	\$1,029,247.24
2. Haaker Equipment Company 2070 N White Avenue La Verne, CA 91750	\$1,128,511.51
3. Nixon-Eqil Equipment Co. 2044 S Vineyard Ave Ontario, CA 91761	\$1,175,782.97

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Each bidder has agreed to allow the City ninety (90) days from date bids are opened to accept or reject their bid proposal. Purchasing requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Wednesday, December 31, 2008, 5:00 P.M.

**BACKGROUND OF PROJECT** (To be completed by Evaluating Department/Division. Explain need for project/equipment):

Included in the FY 09 Fleet Management Division Replacement Program is the purchase of street sweepers to be used by the community Sanitation Division of the Department of Public Utilities within the City of Fresno. The sweepers are used daily to remove debris from storm gutters and roadways providing essential service in protecting storm water quality and reducing the risk of flooding along city streets. In addition the sweepers reduce particulate matter pollution from neighborhoods by removing dirt and debris from roadways that otherwise would become airborne and inhaled. Because there are a number of units that will require replacement over the next few years, it was determined that a requirements contract would be the most cost-effective means of procurement.

Street sweepers have a useful life of about five years due to the extreme abrasion of parts associated with street cleaning duties. The new sweepers are replacements for units that have exceeded their economic useful life. The new sweepers are equipped with the latest technology to reduce dust while sweeping and are compliant with South Coast Air District Rule 1186. In addition, the new sweepers are powered by compressed natural gas (CNG) engines that meet 2010 emission standards making these sweepers the cleanest operating units available. The use of compressed natural gas fuel in the new sweepers also has the added financial benefit of fuel cost saving that average \$1.00 per gallon equivalent compared to the existing diesel powered sweepers.

EVALUATION OF BID PROPOSALS

FOR: REQUIREMENTS CONTRACT FOR STREET SWEEPERS

Bid File No. 9018  
Bid Opening: 12/5/08

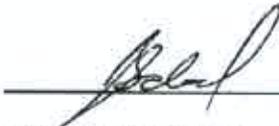
DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

Award a contract in the amount of \$ 1,029,247.24  
to Municipal Maintenance Equipment, Inc.  
as the lowest responsive and responsible bidder.

Remarks:

Reject all bids. Reason:

Division Head Approval

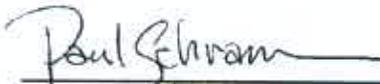
  
\_\_\_\_\_  
Title Fleet Manager

Date 12/23/2008

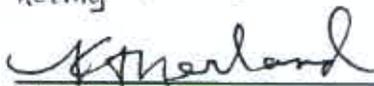
- Approve Dept. Recommendation       Approve GSD/Purchasing Recommendation
- Disapprove       Disapprove
- See Attachment

GENERAL SERVICES DEPARTMENT

CITY MANAGER

  
\_\_\_\_\_  
Purchasing Manager      12/30/08  
Acting      Date

  
\_\_\_\_\_  
City Manager or Designee      12/31/08  
Date

  
\_\_\_\_\_  
Director      12/30/08  
Date