



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### **REPORT TO COUNCIL**

#### **SUBJECT**

Award of Contract to Overhaul a Truck Mounted Paint Striper (F16-28)

#### **REPORT IN BRIEF**

Council approval is requested to award a contract to M-B Companies, Inc. in the amount of \$352,287 to overhaul the City's existing truck mounted paint line striper used by the Department of Public Works. The total cost consists of \$323,942 for the overhaul and sales tax in the amount of \$28,345. The work will include overhauling the current body and mounting it to a new chassis.

#### **EXISTING POLICY**

Pursuant to Chapter 2.08 of the Municipal Code, Council approval is required to award bids greater than \$100,000.

#### **ENVIRONMENTAL REVIEW**

N/A

#### **BACKGROUND AND DISCUSSION**

The Public Works Operations Division utilizes a self-contained line striping truck which is due for overhaul or replacement with over 3,000 hours of operation. The current unit has a twelve year life expectancy and was initially eligible for replacement in 2011, but Fleet staff continued to maintain the vehicle past its planned replacement date because it was generally in good working order. However, repair parts are becoming difficult to acquire, some components are no longer serviceable and it is extremely difficult to find rental vehicles when the unit is out of service.

An Invitation for Bids (IFB) was issued which included two bid options: One to overhaul the existing unit and one to purchase a new unit. The IFB was posted to the City's website and sent directly to four known firms who provide this type of equipment. M-B Companies, Inc. was the only firm to submit a bid. The bid price to purchase a new vehicle is approximately \$26,000 more than the cost to overhaul the existing unit (see Attachment 2, Bid Summary).

Fleet staff has concluded that it is more economical at this time to overhaul, rather than replace, the current unit. The overhauled striper will have a similar life cycle as the current unit, and will have California compliant front and rear engines which will use less fuel while emitting fewer emissions. The new unit will also provide technological advances which streamline the striping process.

#### **FISCAL IMPACT**

The cost to overhaul the truck mounted paint striper is \$323,942, plus sales tax in the amount of \$28,345, for a total of \$352,287. The Fleet Equipment Replacement Fund estimated the replacement value of the paint striper at \$190,700, leaving the fund approximately \$161,500 short of the needed

funds. Rising cost of materials, stricter emission standards and lack of competition are all contributing factors to the higher bid pricing. The Fleet Services Operating Program in the Department of Public Works ended FY 2014/15 with \$168,000 in savings, which will be returned to the Equipment Reserve. Therefore, the additional one-time cost of the purchase can be absorbed by the Fleet Equipment Replacement Fund, with the new higher replacement value being accounted for through the regular budget process.

#### Funding Source

Replacement funds for the paint striper will come from the General Services Fund - Fleet Services Sub-Fund. Contributions to the Fleet Services Sub-Fund for the paint striper come from the Department of Public Works - Street Operations Program which is included in the General Fund.

#### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

#### **RECOMMENDATION**

Award a contract in the amount of \$352,287 to M-B Companies, Inc. for one truck mounted paint striper, in substantially the same form as the attached draft purchase order.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Grace K. Leung, Director, Director of Finance

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

#### **ATTACHMENTS**

1. Draft of Purchase Order
2. Bid Summary