



City of San Leandro

Meeting Date: September 4, 2018

Staff Report

File Number: 18-385 **Agenda Section:** CONSENT CALENDAR

Agenda Number: 8.I.

TO: City Council

FROM: Jeff Kay
City Manager

BY: Debbie Pollart
Public Works Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: Staff Report for a Resolution of the City of San Leandro City Council to Authorize the City Manager to Execute a Rental Agreement with Nixon-Egli Equipment Company for a Cold Milling Machine at an amount not to exceed \$27,632.50.

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council authorize the City Manager to execute a 1-month rental agreement for lease of a cold milling machine at a total cost of \$27,632.50.

BACKGROUND

With last year's passage of Senate Bill 1 (SB1) by the California Legislature, the City is the recipient of State monies (issued monthly) for use in approved maintenance projects located within the right-of-way. In anticipation of expanding the amount of asphalt maintenance work able to be completed by staff, last year the City Council also approved purchase of a new asphalt paver.

In May of this year, the City Council approved a 3-month rental agreement with Nixon-Egli for a cold milling machine (grinder).

Analysis

As this year was the first time that Public Works staff (outside of the Paving Supervisor) had utilized a large grinder in the field, a conservative approach was taken in estimating how much work could be accomplished. Work in the field has progressed extremely well and Public Works staff have been able to complete the grinding work associated with the identified SB1 projects. Because a large back-log of road maintenance work exists, Public Works conferred with Engineering & Transportation staff on including additional grind work to this year's SB1 projects and an additional month of the grinder rental became necessary.

The original 3-month rental did not include a provision for administratively extending the contract, and even if it did, the amount of the 1-month rental extension exceeds the normal 25% typically allowed under change orders. The City Manager executed the 1-month rental extension, and brings this action before the City Council to confirm authority to execute.

Budget Authority

Existing monies in the Gas Tax Fund (140-31-056-5240) are available to pay for the 1-month rental.

ATTACHMENT(S)

Attachment(s) to Staff Report

- Nixon-Egli Equipment Company Rental Agreement

PREPARED BY: Debbie Pollart, Director, Public Works Department

□ SO. CALIFORNIA: 2044 South Vineyard Avenue, Ontario, CA 91761 • (909) 930-1822 • FAX (909) 923-2356
 □ NO. CALIFORNIA: 800 East Grant Line Road, Tracy, CA 95376 • (209) 830-8600 • FAX (209) 830-8884

**City of San Leandro
 14200 Chapman Road
 San Leandro, CA 94577**

August 14, 2018

Attention: Frank Rivera

Reference: Rental Proposal for a Cold Milling Machine. Wirtgen 2016 Model W120 CFI Track Mounted Grinder - Serial # 1810.0361 – Nixon-Egli Stock # 216044.

Dear Mr. Rivera

We've prepared the following rental proposal for your consideration:

One 2016' Wirtgen Cold Milling Machine Model W120 CFI, equipped as follows:

- Cummins QSL-9 Turbo Diesel engine - 345 HP - **Tier IV Final Engine.**
- Operator's station with drivers seat.
- Right rear track assembly swivels in front of drum for milling close to curb.
- FB 1200 Milling Drum (3' 11" Drum width)
- 1200mm Milling Drum with HT22 Holders LA15 and 115 picks
- Hydraulic side plate lifters.
- Infinitely variable hydraulic, all wheel drive with three speed ranges.

Options Included:

- **Four tracks in lieu of wheels.**
- **Hydraulically Folding Conveyor in lieu of standard conveyor**
- **Level Pro Plus Grade/Slope control system including Rapid Slope sensor Milling Drum Rotation System**

Rental Proposal:

Rental Charges – (1 Months @ \$27,000.00 per Month = 28 Days):	\$ 27,000.00
Taxable Total:	\$ 27,000.00
Sales Tax @ 9.75%	\$ 2,632.50
Total Customer Charges – 1 Month (28 Days) Rental	\$ 27,632.50

Rental Agreement Special Notes:

1. Unit is currently at City of San Leandro Corp. yard.
2. This unit is equipped with the features and options that we purchase for our inventory.
3. One month rental to commence on 8/21/18 and end on 9/17/18
4. Monthly rental consists of **28 consecutive calendar days**
5. It is the responsibility of the City of San Leandro to pay drayage for pick up and return of the unit at the Nixon-Egli facility located in Tracy, CA. Nixon-Egli will provide a drayage quote to customer and add drayage costs incurred to related rental invoice(s).
6. Quoted drayage costs are \$1,000.00 per move – this will be added on to Monthly rental invoice(s) as movements take place

Note: Unit is currently on rent to City of San Leandro. This quote is to allow The City to extend their current rental period for an additional 28 days. This extends the rental period thru 9/17/18

Should the above terms be acceptable to the City, please acknowledge acceptance of these terms for extension of the rental agreement below through signature of an authorized officer of the City of San Leandro

Signature _____ Date _____

Printed Name _____ Title _____

If you have any questions, or require additional information, please feel free to contact us.

Sincerely,

Michael Knight
Area Sales Manager
Nixon-Egli Equipment Company



City of San Leandro

Meeting Date: September 4, 2018

Resolution - Council

File Number: 18-384

Agenda Section: CONSENT CALENDAR

Agenda Number:

TO: City Council

FROM: Jeff Kay
City Manager

BY: Debbie Pollart
Public Works Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: RESOLUTION of the City of San Leandro City Council to Authorize the City Manager to Execute a Rental Agreement with Nixon-Egli Equipment Company for a Cold Milling Machine at an amount not to exceed \$27,632.50

WHEREAS, a draft agreement between the City of San Leandro and Nixon-Egli Equipment Co. was presented to this City Council; and

WHEREAS, the City Council is familiar with the contents thereof; and

WHEREAS, the City Manager recommends approval of said agreement.

NOW, THEREFORE, the City Council of the City of San Leandro does **RESOLVE** as follows:

1. That said agreement substantially in the form presented is hereby approved and execution by the City Manager is hereby authorized.
2. That the City Manager is authorized to make non-substantial revisions to said agreement, subject to the approval of the City Attorney.
3. That an original executed agreement shall be attached to and made a part of this resolution.