



City of San Leandro

Meeting Date: September 8, 2020

Staff Report

File Number: 20-381

Agenda Section: CONSENT CALENDAR

Agenda Number: 8.I.

TO: City Council

FROM: Jeff Kay
City Manager

BY: Debbie Pollart
Public Works Director

FINANCE REVIEW: Susan Hsieh
Finance Director

TITLE: Staff Report for a City of San Leandro City Council Resolution to Approve and Authorize the City Manager to Purchase One Cimline Crack-Sealer from Cimline Pavement Maintenance Group-Duraco/Cimline for \$61,531 Through HGACBuy, a Cooperative Contract Purchasing Agency; and to Appropriate \$25,914 from the Equipment Repair and Maintenance Fund Balance to the Equipment Repair and Maintenance Fund Account 690-16-002-7510; and to Authorize a Budget Transfer Out in the Amount of \$35,617 from the Gas Tax-RMRA Operating Account (Fund 140) and Transfer In to the Equipment Repair and Maintenance Operating Account (Fund 690)

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council approve and authorize the City Manager to purchase one replacement piece of equipment (crack-sealer used in paving operations) at a cost of \$61,531, through HGACBuy, a cooperative contract purchasing agency. Staff also recommends that for Fiscal Year 2020-21 the City Council approve appropriation of \$25,914 from the Equipment Repair and Maintenance Fund Balance to the Equipment Repair and Maintenance Account 690-16-002-7510, and to authorize a budget transfer out of \$35,617 from the Gas Tax-RMRA Operating Account (Fund 140) and transfer in to the Equipment Repair and Maintenance Operating Account (Fund 690) in order to complete the \$61,531 purchase.

BACKGROUND

The replacement piece of equipment is housed in the Streets/Paving section. It was purchased in 2012 and had a projected life expectancy (and replacement schedule) of 15 years. For certain roads, typically those that have a higher pavement condition index (PCI) rating but that are beginning to crack, utilizing a crack-sealer helps maintain the road's longevity. Without filling in the cracks, rainwater seeps in, speeding up the degradation process of the asphalt, eventually leading to larger and more expensive repairs.

Prior to late 2018 and the advent of SB1 funding, limited Capital Improvement Project (CIP) funds were available for road repairs, resulting in a more than \$150 million-dollar backlog of needed road repair/replacement work. Before the purchase of a new paver and the asphalt grinder, crack-sealing was the primary method utilized by City staff for in-house road maintenance. During last year's paving season, the crack-sealer experienced a third and, in this case, final catastrophic failure. It was not cost-effective to repair it and staff finished the season utilizing a rental unit. In addition, staff has determined that with increased in-house paving operations, the existing crack-sealer was too small and not built to handle the current level of paving work.

Analysis

The Houston-Galveston Area Council (H-GAC) is the largest of 24 Councils of Government in Texas. It has been serving local governments for more than 40 years. H-GAC's Cooperative Purchasing Program is known as HGACBuy and allows other local governments nationwide to enter into their contracts using their completely bid procurement process. Utilizing HGACBuy, staff procured a bid from Cimline Pavement Maintenance Group (based in Minnesota) for a new crack-sealer. The 'local' dealer is ICC Equipment, located in Sacramento.

Although the established replacement schedule of 15 years was not met, to date \$25,914 has been paid into the garage fund balance for replacement of this piece of equipment. The balance of funding will come from the Gas Tax-RMRA (SB1) fund.

Budget Authority

The Fiscal Year 2020-21 Vehicle Purchasing Account 690-16-002-7510 has a budget and balance of \$391,413. Because this purchase is out of cycle (not scheduled for FY 2020-21), staff requests an appropriation of \$25,914 from the Equipment Repair and Maintenance Fund (690) balance. Staff also requests the following fund budget transfer of \$35,617 as follows:

- Reduce Gas Tax-RMRA Account 140-31-057-6172 by \$(35,617)
- Budget Transfer Out from the Gas Tax-RMRA Account 140-99-901-8410 for \$35,617
- Budget Transfer Into the Equipment Repair and Maintenance Account 690-3950 for \$35,617
- Increase Equipment Repair and Maintenance Account 690-16-002-7510 by \$35,617

The total of the appropriation and fund balance transfers will cover the \$61,531 cost of the replacement equipment.

ATTACHMENT

Attachments to Staff Report

- Equipment Quote

PREPARED BY: Debbie Pollart, Director, Public Works Department



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Meeting Date: September 8, 2020

Resolution - Council

File Number: 20-382 **Agenda Section:** CONSENT CALENDAR

Agenda Number:

TO: City Council

FROM: Jeff Kay
City Manager

BY: Debbie Pollart
Public Works Director

FINANCE REVIEW: Susan Hsieh
Finance Director

TITLE: City of San Leandro City Council RESOLUTION to Approve and Authorize the City Manager to Purchase One Cimline Crack-Sealer from Cimline Pavement Maintenance Group-Duraco/Cimline for \$61,531 Through HGACBuy, a Cooperative Contract Purchasing Agency; and to Appropriate \$25,914 from the Equipment Repair and Maintenance Fund Balance to the Equipment Repair and Maintenance Fund Account 690-16-002-7510; and to Authorize a Budget Transfer Out in the Amount of \$35,617 from the Gas Tax-RMRA Operating Account (Fund 140) and Transfer In to the Equipment Repair and Maintenance Operating Account (Fund 690)

WHEREAS, a purchase estimate was presented to this City Council; and

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

WHEREAS, the City Manager recommends the purchase of such equipment; and

WHEREAS, adequate monies have been paid into the equipment replacement funds; and

WHEREAS, the Fiscal Year 2020-21 Equipment Repair and Maintenance Internal Service Fund balance has funds available to appropriate to the Vehicle Purchase Account to cover the purchase price; and

WHEREAS, the purchase is justified because it replaces existing equipment that is integral to the City's pavement maintenance program.

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

1. That said purchase estimate of \$61,531, substantially in the form presented is

hereby approved and the City Manager is authorized to execute all documents and take all actions necessary to execute the purchase; and

2. That for Fiscal Year 2020-21 an additional appropriation of funds shall be made from the Equipment Repair and Maintenance Fund balance to the Equipment Repair and Maintenance Account 690-16-002-7510 in the amount of \$25,914; and
3. That for Fiscal Year 2020-21 a budget transfer from Fund 140 to Fund 690 is authorized as follows:
 - Reduce Gas Tax-RMRA Account 140-31-057-6172 by \$(35,617)
 - Budget Transfer Out from the Gas Tax-RMRA Account 140-99-901-8410 for \$35,617
 - Budget Transfer Into the Equipment Repair and Maintenance Account 690-3950 for \$35,617
 - Increase Equipment Repair and Maintenance Account 690-16-002-7510 by \$35,617