



DATE: October 18, 2016

TO: Mayor and City Council

FROM: Director of Maintenance Services

SUBJECT

Resolution Appropriating Funding for Replacement Street Sweeper

RECOMMENDATION

That Council adopts the attached resolution (Attachment II) appropriating existing fund balance to purchase a replacement street sweeper, in an amount not to exceed \$285,000.

SUMMARY

Previously scheduled for replacement in FY 2018, this request to initiate the replacement of a high maintenance sweeper now is being presented due to the large cumulative maintenance costs incurred, the need to negate a pending high value repair, and the long-lead time required to place an order and receive a new sweeper. Funds are currently available in the unallocated Fleet Capital Replacement Fund.

BACKGROUND

Fleet Management is responsible for the acquisition, operation, maintenance, and disposal of over 430 pieces of City equipment. A ten-year replacement plan is maintained to replace City equipment based on availability of funds, equipment safety, cumulative maintenance costs, mileage, and age. Annual equipment replacement is budgeted in the Fleet Capital Replacement Fund, which is approved annually as part of the Capital Improvement Budget.

Fleet management utilizes an economic lifecycle analysis in updating the fleet replacement ten-year plan. An economic life cycle analysis is a management tool used to analyze total ownership and operating costs throughout a vehicle's life to estimate the optimum point in time or usage to replace the vehicle. The typical parameters used in an economic life cycle analysis consist of: vehicle purchase cost, cost of money or interest rate, maintenance and repair expenses, number of miles traveled or hours used per year, downtime costs, fuel expenses, annual depreciation expenses, obsolescence costs, and salvage value.

Based on fleet data, staff has determined that sweepers should be replaced on an economical life cycle of eight years, to maximize useful life, while replacing the equipment at the intersection where depreciated value meets total maintenance cost. Projecting forward, with the increased contributions that staff has built into the Fleet CIP, future replacement of this class of vehicle is scheduled every eight years starting in FY 2018. This replacement timeline will save the City considerably on the total holding cost of the equipment over its useful life.

The City's Street Sweeping Program operates in direct support of the Council's Safe, Clean, and Green priorities. The City currently has five Sweeper Equipment Operators who perform bi-weekly street sweeping throughout residential, commercial, and industrial areas of the City. Street sweeping removes accumulations of trash, leaves, and dirt within the gutters, and helps the City to maintain an aesthetically pleasing environment, as well as aiding in complying with various Federal and State Water Quality requirements. The City of Hayward uses the latest technologies in sweeping equipment in order to comply with various air quality regulations, including the use of vacuum-type sweepers that are designed to reduce emissions dust.

In FY 2017, the Streets Maintenance Division added back the fifth Sweeper Equipment Operator position, which was eliminated in FY 2011. The position returned to the program because the staff and equipment expense was fully offset by street sweeping citation revenue. However, in order to defray the initial start-up cost, an old sweeper was kept for the newly added staff member to initially use. This sweeper was scheduled to be replaced in the ten-year replacement plan in the following year, FY 2018, using Fleet Capital Replacement funds. However, after further staff review of the cumulative repair costs, along with the identification of a pending high value repair, Fleet Management recommends replacing the sweeper now.

DISCUSSION

Fleet Management has focused on making solid financial decisions related to the City's existing fleet assets and replacement purchases. That being said, staff is recommending an early replacement for a high maintenance item, a twelve-year old street sweeper. Based on staff's evaluation, the Tymco Model 600 Regenerative Air System was chosen as the replacement sweeper, as it provides reliability, performance, and a clean sweep. This model was chosen due to its low cost of ownership and environmental friendliness. To facilitate this purchase and satisfy the City's competitive procurement requirements, staff will be piggybacking on a Houston-Galveston Area Council (H-GCA) purchase contract, which satisfies the City's competitive procurement requirements.

ECONOMIC IMPACT

The total accumulated maintenance history of this sweeper exceeds the original purchase price for this twelve-year-old sweeper. Replacing this sweeper now will add value by eliminating the need to make further high value repairs.

FISCAL IMPACT

Unallocated Fleet Capital Reserve Fund Balance will be appropriated for this purchase, in an amount not to exceed \$285,000.

SUSTAINABILITY FEATURES

Low Emissions: The Model 600 auxiliary engine offers the lowest emissions technology available (Tier 4 Final).

Longer Period Between Services: The Model 600 air cleaner offers a longer interval between oil and maintenance services, which means less maintenance cost.

Less Water, Better Dust Control: The Model 600 is the only street sweeper on the market with a high-efficiency centrifugal dust separator for maximum fine dust particulate separation which provides excellent dust control while using less water. The Model 600 has a water capacity of up to 330 gallons which provides hours of sweeping, which in turn reduces overall fuel consumption by eliminating trips to refill the water tank.

NEXT STEPS

If the City Council appropriates the funding in the attached resolution, staff will prepare and execute the necessary documents.

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Recommended by: Todd Rullman, Director of Maintenance Services

Approved by:



Kelly McAadoo, City Manager