



**DATE:** September 27, 2022

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT:** Adopt Resolutions Authorizing the Sole Source Purchase of a Hydro Vactor from Owen Equipment Sales in an Amount Not-to-Exceed \$412,000 and Appropriating Additional Funds

### **RECOMMENDATION**

That Council adopts two resolutions:

- 1) Authorizing the City Manager to execute the sole source purchase of a hydro vactor from Owen Equipment Sales in an amount not-to-exceed \$412,000 (Attachment II); and
- 2) Appropriating additional funds in an amount of \$12,000 from the Sewer Replacement Fund (Fund 611) (Attachment III).

### **SUMMARY**

The City's Utilities Division operates and maintains all water and wastewater collection system facilities, including the sewer collection system. Division staff frequently utilize a hydro vactor to flush and clean the City's sewer system pipelines. Currently, there is one hydro vactor dedicated to areas such as the hills, narrow streets, and tight turns, and it is near its expected useful life. Council has previously approved funding for the purchase of this equipment as part of the FY 2023 Capital Improvement Program (CIP). However, due to the disrupted supply chain, prices of equipment have been escalated by about \$12,000. As such, staff recommends that Council authorize the City Manager be authorized to execute the sole source purchase of a hydro vactor for an amount not-to-exceed \$412,000 and appropriate additional funds in an amount of \$12,000 from the Sewer Replacement Fund (Fund 611).

### **BACKGROUND**

The hydro vactor is a high-pressure water jetter specially designed for cleaning municipal sewer, drains, pipelines and culverts. The current hydro vactor was last purchased in 2014. Staff have been utilizing this equipment frequently to flush and clean the sewer collection system for regular maintenance and preventing overloads. The vehicle can reach areas that other larger vehicles are unable to reach, such as the hills, narrow streets, and tight turns.

The use of a hydro vactor has become an essential part of Utilities operations. However, the condition of the current vehicle is deteriorating and needs replacement.



*An example of a Ramjet hydro vactor*

## **DISCUSSION**

The procurement of the hydro vactor is territory driven and Owen Equipment Sales is the sole provider of this vehicle in Hayward. Using the cooperative agreement with Sourcewell, a third-party administrator that completed the competitive bidding process, Owen Equipment Sales was identified as a provider of a hydro vactor that meets the City's specifications. Due to the disrupted supply chain, prices of equipment have been escalated since the approval of the budget. The latest cost of the equipment, as quoted by Owen Equipment Sales is approximately \$412,000, which is \$12,000 over the previously approved CIP budget. As such, staff is recommending appropriating an additional amount of \$12,000 to cover the additional cost.

## **ECONOMIC IMPACT**

By replacing this vehicle as they reach the end of its useful life, the City will minimize the overflow in the sewer collection system, which could have a significant impact on local businesses and residents, if overflows occur.

## **FISCAL IMPACT**

Funding for this equipment was previously approved as part of the FY 2023 CIP, Hydro Vactor Replacement Project No. 07776, at a budget of \$400,000 within Sewer Replacement Fund 611. Due to the disrupted supply chain, prices of equipment have been escalated since the approval of the CIP budget. The latest cost of the equipment, as quoted by Owen Equipment Sales is approximately \$412,000, which is \$12,000 over the approved budget. As such, staff is recommending appropriating an additional amount of \$12,000 from the Sewer Replacement Fund (Fund 611). The Sewer Replacement Fund has sufficient funds to cover the additional cost. There will be no impact to the General Fund.

## **STRATEGIC ROADMAP**

This agenda item is a routine operational item and does not relate to any of the six priorities outlined in the Council's Strategic Roadmap.

## **SUSTAINABILITY FEATURES**

Purchase of the hydro vactor will enable the City to continue to maintain the sewer system. By replacing this vehicle as it reaches the end of its useful life, the City will minimize the overflow of the sewer collection system, which would have a significant environmental impact if an overflow occurs.

## **PUBLIC CONTACT**

Purchase of this equipment requires no public contact.

## **NEXT STEPS**

If Council approves staff's recommendation, staff will work with the City Manager to execute the sole source purchase of a hydro vactor from Owen Equipment Sales.

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*Recommended by:* Alex Ameri, Director of Public Works

*Approved by:*



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Kelly McAdoo, City Manager