



Legislation Text

File #: 060660., **Version:** 0

Approval to Purchase Street Sweepers (B)

This item involves the request for approval to purchase three (3) Street Sweepers through our current process of a total cost agreement.

The Operations Division of the Public Works Department utilizes Street Sweepers to maintain the cleanliness of the City's streets. For the past several years, staff has purchased sweepers on a "Total Cost Agreement." This method of procurement guarantees a maximum repair and maintenance cost over the life of the machine and a buy-back price at the end of the contractual period.

Since this method was adopted, the City has reduced the cost of utilization for Street Sweepers by approximately twenty-five (25) percent. Additionally, the availability has increased tremendously as the contractual agreement provides for a "loaner" should the Street Sweeper's "downtime" exceed five (5) working days. The recommended vendor has serviced the City since the inception of this concept and has provided excellent support to a quality built machine. Because of this, our fleet is now standardized with the Johnston Street Sweeper. We would like to continue to take advantage of this added value (i.e., improved Operators' and Mechanics' efficiencies as a result of familiarity with the same equipment and lower inventory and tooling cost.)

The Street Sweeper is available under the General Service Pricing Contract and the vendor will customize the agreement to meet our "Total Cost Agreement Concept." The price offered to the City is \$162,459.50 with a guaranteed buy back of \$22,000 at the end of the agreement. This price and buy back amounts are similar to those of the last sweeper purchased in April 2005, or seventeen (17) months ago. The buy back amounts for the three (3) street sweepers that are being traded in are \$20,000 each for a total of \$60,000.

Funds in the amount of \$427,378.50 are available in the Fleet Replacement Fund for FY06-07.

The City Commission: 1) approve the purchase of three (3) replacement Street Sweepers from Florida Municipal Equipment, Inc. at a price of \$162,459.50 each, for a net total cost not to exceed \$427,378.50 to include buy-back credit; and 2) to authorize the City Manager or designee to execute the agreement for the Street Sweepers.

Alternative Recommendation

The City Commission refuse the vendor's offer and bid the procurement of the machines and risk losing the financial and operational advantages of a "total cost agreement" concept, as mentioned above.