



Agenda Report

October 20, 2014

TO: Honorable Mayor and City Council
FROM: Department of Public Works
SUBJECT: AUTHORIZE PURCHASE ORDER WITH NIXON EGLI EQUIPMENT FOR PURCHASE OF A MILLING MACHINE FOR A TOTAL OF \$152,600

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action is exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment;
2. Grant an exemption for this contract pursuant to PMC 4.08.049(B) where the best interests of the City are served by a direct award of a contract without competitive selection process. This contract is exempt from competitive bidding pursuant to the City Charter 1002 (H), contracts with other governmental entities or their contractors for labor, material, supplies or services; and
3. Authorize the issuance of a purchase order with Nixon Egli Equipment in an amount not to exceed \$152,600 for the purchase of a milling machine.

BACKGROUND:

The Public Works Street Maintenance and Integrated Waste Management (SMWIM) Division requires specialized equipment for pavement rehabilitation, and requests the purchase of a cold milling machine. Pavement milling is a chief component of pavement rehabilitation, as the process allows newly resurfaced pavement grade or elevation to interlock, conform, and transition smoothly to the existing pavement grade. Cold milling can also be utilized for grinding down raised, shoved or pavement distortions commonly found at intersections or where asphalt pavement transitions to concrete pavement.

Daily rental rates for cold milling equipment range from \$5,500 to \$7,000 per day depending on the setup/breakdown required. This purchase will eliminate the need to

contract out this service and expand in-house operational capabilities. It is anticipated that in first year of utilizing this equipment, approximately 30 locations will benefit from this operational work, recovering a large portion of the cost of the machine in the first year. It is also anticipated that as the SMIWM Division expands their expertise in the use of the machine, the Division may perform milling work for utility trenches and concrete bus pad installations.

Nixon-Egli Equipment Company has offered the City of Pasadena the opportunity to purchase a W35DC milling machine through the National Joint Powers Alliance Contract #060311-WAI (City of Pasadena member number 38498). This contract is available for use by government and state agencies and any county, city, district or other governmental bodies or corporations empowered to expend public funds. Purchasing the requested equipment from Nixon Egli Company is in the City's best interest as it alleviates the need to prepare bid specifications, review proposals, and award a competitive bid which would add at least three months to the process.

COUNCIL POLICY CONSIDERATION:

This purchase supports the City Council's strategic goal to increase conservation and sustainability, maintain fiscal responsibility and stability, and ensure public safety.

ENVIRONMENTAL IMPACT:

This purchase complies with all South Coast Air Quality Management District rules and regulations for engine emissions and clean air standards in the South Coast Air Basin.

FISCAL IMPACT:

The cost of this action is \$152,600. Funding for this action will be addressed by the utilization of existing budgeted appropriations from the Gas Tax Fund (budget account 8505-210-764310). It is anticipated that \$152,600 of the cost will be spent during the current fiscal year. Indirect and support costs such as maintenance and repair are anticipated to be \$101,620 over the lifecycle of the equipment and will be addressed annually by utilization of existing budgeted appropriations in budget account 8616-210-764310.

Respectfully submitted,



SIOBHAN FOSTER
Director of Public Works

Prepared by:



Flo Langilotti
Operations Manager

Approved by:



MICHAEL J. BECK
City Manager