



Legislation Details (With Text)

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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)

Indexes:

Code sections:

Attachments: 1. Equipment Quote

Date	Ver.	Action By	Action	Result
9/8/2020	1	City Council	Received and Filed	Pass

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