

MEMORANDUM

TO: Board of Trustees

THROUGH: Steven J. Pinkerton
General Manager

THROUGH: Joseph J. Pomroy, P.E.
Director of Public Works

FROM: Bradley A. Johnson, P.E.
Director of Asset Management

Richard Allen
Fleet Superintendent

SUBJECT: Review, discuss, and possibly approve a Sole Source Finding and review, discuss, and possibly authorize a Procurement Contract for a Replacement Articulated Tractor Snowblower and Flail Mower – 2017/2018 Capital Improvement Projects: Fund: Public Works; Division: Shared; Project # 2097HE1731; and Fund: Public Works; Division: Sewer; Project # 2523LE1720; Vendor: ASI Nevada in the amount of \$176,524.78

STRATEGIC PLAN: Long Range Principle #4 – Service
Long Range Principle #5 – Assets and Infrastructure

DATE: January 12, 2018

I. RECOMMENDATION

That the Board of Trustees moves to:

1. Make the following finding:

IVGID's purchase of a replacement articulated tractor snowblower and flail mower from ASI Nevada is exempt from competitive bidding for the following reasons:

Review, discuss, and possibly approve a Sole Source Finding and review, discuss, and possibly authorize a Procurement Contract for a Replacement Articulated Tractor Snowblower and Flail Mower
– 2017/2018 Capital Improvement Projects:
Fund: Public Works; Division: Shared; Project # 2097HE1731; and Fund: Public Works; Division: Sewer; Project #2523LE1720; Vendor: ASI Nevada
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- A. This purchase is for items which may only be contracted from a sole source (NRS 332.115.1.a). ASI Nevada is the exclusive dealer for Multihog equipment for Northern Nevada.
 - B. Items, supplies, materials, or equipment that are available pursuant to an agreement with a vendor that has entered into an agreement with the General Services Administration (GSA) or another governmental agency located within or outside the State of Nevada (NRS 332.115.1.m). The pricing received from ASI Nevada is via HGACBuy. HGACBuy is a Houston, Texas based municipal contracting agency that provides nationally leveraged, competitively solicited, and cooperatively shared procurement contracts to its member agencies. All contracts available to participating members of HGACBuy have been awarded by virtue of a public competitive procurement process that is compliant with the requirements of the Nevada Revised Statutes.
2. Authorize a procurement contract with ASI Nevada totaling \$176,524.78 for a Multihog MX120 snowblower with flail mower attachments.
 3. Authorize Staff to execute all purchase documents based on a review by General Counsel and Staff.

II. DISTRICT STRATEGIC PLAN

Long Range Principle #4 – Service – The District will provide superior quality service and value to its customers considering responsible use of District resources and assets.

- The District will utilize best practice standards for delivery of services.

Long Range Principle #5 – Assets and Infrastructure – The District will practice perpetual asset renewal, replacement, and improvement to provide safe and superior long term utility services and recreation activities.

- The District will maintain, renew, expand, and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.

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III. BACKGROUND

The general purpose of this project is to maintain District operations through the necessary maintenance and replacement cycles. The contract proposed for award addresses the end of life cycle replacement of one Public Works articulated tractor snowblower and flail mower. Public Works maintains a fleet of two multipurpose, cab forward, four wheel drive, articulated tractors equipped with front mounted snowblower attachments for snow removal at all District facilities. One tractor is generally assigned to snow removal at water and sewer pumping and treatment facilities with the other providing snow removal throughout the rest of the District including District owned pedestrian pathways. One of the tractors is equipped to allow a flail mower attachment for brush mowing at the District's wetlands facility. A reliable and well-functioning multipurpose articulated tractor fleet is a critical component to snow removal at District facilities in the winter months and wetlands mowing operations in the summer months.

The equipment scheduled for replacement is a 2008 Trackless MT snowblower (Equipment #619) with flail mower attachments (Equipment #602). This equipment has operated ten seasons and has reached the end of its cost effective service life. It is at a point where the District can expect elevated maintenance and repair costs and increased equipment down time.

Equipment is replaced when serviceability, reliability, performance, and economic factors dictate. The District's current program involves keeping each machine for ten years. The District's service records, as well as those of equipment manufacturers, indicate that the hourly operating cost of equipment increases by more than 60% after ten years of operating depending on operating hours and severity of use. Downtime increases in direct proportion which impacts the availability and reliability of this equipment. Additionally, major component failure on this equipment may cost more than the actual value of the equipment as its age increases. A replacement engine can cost as much as \$20,000, a replacement transmission cost is \$15,000, and hydraulic pump assemblies, of which this equipment has two, cost \$4,000 each. The most recent engine oil samples from Trackless MT #619 show elevated levels of lead indicating possible crankshaft bearing wear as well as elevated levels of iron indicating possible liner and/or valve train wear. Additionally Trackless MT #619 has cracking in the structural frame members at the front implement mounting points as well as at the center articulation bearing mounts.

Several equipment manufacturers were informally evaluated and tested by District Public Works Operators and Fleet Mechanics for the replacement of Trackless MT

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#619. Manufacturers evaluated included Trackless, Multihog, Maclean, Holder, and Caterpillar. The equipment was evaluated based on available models, performance and reliability, ease of use and operator features, ease of maintenance, repair costs, parts and service support and availability, mechanical design and drive type, available attachments, user references, and value. The Multihog MX 120 was the equipment selected as the best fit for District operations based on these criteria as well as the vehicle with the greatest flexibility for future applications via a wide variety of available attachments.

Currently the Town of Truckee, Tahoe City Public Utility District, and Placer County are utilizing Multihog tractors for snow removal and other municipal operations and are very pleased with the performance and reliability of the equipment and the vendor.

If the proposed contract is awarded, the District will place its order with ASI Nevada immediately and will take delivery of the new equipment according to manufacturing lead time which can be as much as eight to ten weeks. Payment to the vendor does not occur until equipment delivery.

IV. BID RESULTS

Consistent with the requirements of NRS 332.115.1.m, supplies, materials or equipment that are available pursuant to an agreement with a vendor that has entered into an agreement with the GSA or another governmental agency located within or outside the State of Nevada are exempt from competitive bidding requirements.

HGACBuy operates via the Houston-Galveston Area Council (H-GAC), a regional council of governments operating under the laws of the State of Texas and governed by a board comprised of 36 elected officials from a 13 county region. The H-GAC Board awards all contracts which are then made available to local governments, states, and certain non-profit corporations. The HGACBuy Program is over 30 years old and specializes in high ticket, capital intensive products and services that require technical, detailed specifications and extensive professional skills to evaluate bid responses. All products offered through HGACBuy have been awarded by virtue of a public competitive process.

The equipment proposed for purchase from ASI Nevada utilizes HGACBuy's competitively solicited pricing and therefore Staff did not independently seek competitive bids.

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V. FINANCIAL IMPACT AND BUDGET

\$152,000 is included in the 2017/2018 Capital Improvement Program Budget for the replacement of Trackless MT snowblower #619 under Project # 2097HE1731 (see attached data sheet) and \$35,000 is included for the replacement of flail mower attachments #602 under Project #2523LE1720 (see attached data sheet). The total available budget for the proposed contract is \$187,000. The proposed purchase is summarized in the table below:

Description	Amount
Multihog MX 120 snowblower with flail mower attachments	\$206,524.78
Trade-in of 2008 Trackless MT snowblower with flail mower attachments	(\$30,000.00)
Total	\$176,524.78

The total proposed contract of \$176,524.78 is \$10,475.22 under budget.

VI. ALTERNATIVES

Not authorize the procurement contract and defer or eliminate replacement of the proposed articulated tractor and attachments. Doing so puts the District at risk of high maintenance expenses and increased equipment down time or complete loss of equipment usage during critical winter snow removal activities as well as the summer wetlands mowing season.

VII. COMMENTS

Disposal of the surplus equipment will be accomplished through trade-in to the vender at time of delivery of new equipment.

VIII. BUSINESS IMPACT

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.



Project Summary

Project Number:	2097HE1731		
Title:	2008 Trackless Snowblower #619		
Asset Class:			
Division:	97 - Public Works Shared		
Budget Year:	2018		
Scenario Name:	Main	Active:	Yes
Budget Status:	Data Entry		
Locations:			
Project Something:	HE - Heavy Duty Service Equipment		

Project Description

Scheduled replacement of IVGID Public Works snow blower #619.. This equipment is necessary for blowing large accumulations of snow where smaller equipment is not able to handle the job. Specifically utilized to widen parking lots for increased parking capacity, roadways for safer operation and keeping water reservoir roads and sewer and water pump stations open for maintenance and repairs. Presently this is the only equipment the District owns that is able to access the tight areas, for snow removal, around the Chateau entrance. This snow blower is on a 8-year replacement schedule subject to accumulated hours, accrued maintenance cost, oil analysis reports, visual inspection and overall condition. Equipment will be moved back in the CIP program if indicators reveal no increase in equipment down time or elevated maintenance cost will result by deferring replacement dates. It is anticipated the Trackless unit will be replaced with a 907M Loader with snowblower attachment to provide greater performance and functionality.

Project Internal Staff

Fleet Division Staff will manage this project.

Project Justification

This is a vital piece of equipment for opening and maintaining roads and parking areas during and after large snow storms. The faster speed of this equipment type enables staff to access more areas in a shorter period of time, essential during heavy snow storms. Snow blowers are subject to extreme conditions and high stress loads during the entire time it's operated. This is a high maintenance piece of equipment, under constant repair throughout the season due to extreme vibration and frame stress cracks. It is essential to replace this equipment before major component failure, where repair costs may exceed the equipment value. The snow blower is on a 8-year replacement schedule, subject to accumulated hours, accrued maintenance cost, oil analysis reports, visual inspection and overall condition. Equipment will be moved back in the CIP program if indicators reveal no increase in equipment down time or elevated maintenance cost will result by deferring replacement dates.

Forecast			
Budget Year	Total Expense	Total Revenue	Difference
2018			
Cat Loader	152,000	0	152,000
Year Total	152,000	0	152,000
2026			
Cat Loader	176,000	0	176,000
Year Total	176,000	0	176,000
2034			
Cat Loader	200,000	0	200,000
Year Total	200,000	0	200,000
	528,000	0	528,000

Year Identified	Start Date	Project Partner	Manager	Est. Completion Date
2012	Jul 1, 2017		Fleet Superintendent	Sep 30, 2017



Project Summary

Project Number:	2523LE1720		
Title:	2007 Trackless Flail Mower #602		
Asset Class:			
Division:	23 - Treatment		
Budget Year:	2018		
Scenario Name:	Main	Active:	Yes
Budget Status:	Data Entry		
Locations:			
Project Something:	LE - Light Duty Service Equipment		

Project Description				
This flail mower is utilized by Utility Treatment Plant personnel to perform weed abatement at the wetlands during the summer and fall months. This attachment works in combination with existing Trackless (#619). The decision to purchase this brand mower was made in order to make year around use of Trackless #619, also used during the winter months in combination with a snow blower attachment. This mower is presently on a 10-year replacement schedule.				
Project Internal Staff				
Fleet Maintenance Staff will manage this project				
Project Justification				
This equipment is considered a high wear, high impact piece of equipment. It sees extreme duty during the summer weed abatement program at the Wetlands facility. The alternative to owning and operating this equipment is to contract this operation out at an elevated level of cost. The replacement of this mower is subject to accrued maintenance cost, oil analysis reports, visual inspection and overall condition. Equipment replacement will be deferred if indicators reveal that maintenance cost and down time will not increase.				
Forecast				
Budget Year	Total Expense	Total Revenue	Difference	
2018				
Flail Mower	35,000	0	35,000	
Year Total	35,000	0	35,000	
2028				
Flail Mower	25,000	0	25,000	
Year Total	25,000	0	25,000	
	60,000	0	60,000	
Year Identified	Start Date	Project Partner	Manager	Est. Completion Date
2012	Jul 1, 2017		Fleet Superintendent	Jun 30, 2018