

City of Rochester Hills AGENDA SUMMARY FINANCIAL ITEMS

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www.rochesterhills.org

Legislative File No: 2020-0271

TO: Mayor and City Council Members

FROM: Allan E. Schneck, PE, Director Department of Public Services

DATE: July 27, 2020

SUBJECT: **Combination Sewer Truck**

REQUEST:

City Council is recommended to approve the purchase of one (1) combination sewer truck in the amount of \$421,571.40 to Southeastern Equipment Co. Inc., Novi, Michigan.

REASON FOR PURCHASE:

In 2015, the City of Rochester Hills acting as lead agency on behalf of themselves, City of Farmington Hills and the National Intergovernmental Purchasing Alliance (now known as OMNIA Partners) issued a Request for Proposal for the purchase of combination sewer truck(s), parts, and related services. The proposal was developed with the intent of creating a comprehensive price list of equipment, parts and related services for sewer trucks, in which entities could purchase a sewer truck that met their specific needs, utilizing a vetted process, all while creating a nationwide master agreement for entities across the country to purchase from, and aggregate potential volume to generate best value offers from combination sewer truck vendors.

Notification was sent to over one-hundred fifty (150) vendors with two (2) proposal responses received and two (2) no bids received.

The proposal process consisted of two stages; proposal review and site visits/interviews/product demonstrations Proposals were evaluated by the City of Rochester Hills Fleet Personnel, as well as representatives from the City of Farmington Hills. The City requested Proposers to provide presentations, facility tour, and short overview/demonstration of their equipment.

Scoring for all phases of the proposal process were conducted and Southeastern Equipment Company was selected and unanimously supported by the communities as providing the best value at the lowest available costs. By partnering with a national cooperative the agreement received the most competitive pricing available in the market for this equipment. As part of the agreement, the City was able to secure pricing that includes discounted parts pricing for multiple years, and a complete selection of all available component, chassis, and engine offerings for the vehicle to ensure this cooperative contract would be beneficial, and provide a solution to meet agencies needs across the nation.

Southeastern Equipment Co., Inc. represents the Vac-All line of combination sewer trucks. The City of Rochester Hills with execution of this agreement hereby awards the contract for combination sewer trucks, parts, accessories, supplies and related services to Southeastern Equipment Co, Inc. for a period of three (3) years commencing May 1, 2016 with an option to renew for a two (2) year renewal under the same terms and conditions upon mutual consent by the City and Contractor. The City has exercised renewal options and the contract is currently set to expire on April 30, 2021.

Combination sewer cleaning trucks are used on a daily basis by the DPS water/sewer division for routine

cleaning and maintenance of the city's sewer infrastructure which is valued at approx. \$90 Million. The trucks are also used to clear blocked sewer lines, vacuum out sewer and storm catch basins, wet wells, grinder pump wells, and to clean floor drain traps and pits in city facilities and fire stations. The trucks also are used during water main breaks and service line repairs to remove accumulated mud and water from the work area. The truck is also capable of and equipped for hydro-excavation, which is used for pinpoint excavation around underground utilities providing for a minimum of site disturbance, and reducing the amount of equipment and manpower required

Sewer Truck 532 is due for replacement. Operating costs and down-time have begun to increase and negatively affecting fleet's operating budget. Deferring replacement of this vehicle will also have a negative effect on its residual value which is still relatively high. It is recommended that it be replaced before any additional significant repair costs occur, and residual value is lost. The City will auction this sewer truck off through its surplus auction site.

PROCESS:

Vendor Name and Address:

Southeastern Equipment Co., Inc. 48545 Grand River Avenue Novi, MI 48374

Reason for Selection:

Best Value; Cooperative Agreement

Method of Purchase:

Purchase Order

BUDGET:

Funding is included in the FY 2020 Adopted Budget

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Fleet	661.981000	Capital: Vehicles	\$544,210.00	\$421,571.40	\$122,638.60

RECOMMENDATION:

It is recommended that City Council approve the purchase of one (1) combination sewer truck in the amount of \$421,571.40 to Southeastern Equipment Co. Inc., Novi, Michigan.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		

Contract Reviewed by City Attorney

□ Yes 🖾	N	N	/A	۱
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