



MAYOR & COUNCIL COMMUNICATION

DATE: May 19, 2015
REGULAR
ITEM# 21

AGENDA ITEM: Approve Purchase of Spray Patcher
SUBMITTED BY: Mike Bouthilet, Director of Public Works
THROUGH: Mike Bouthilet, Director of Public Works
REVIEWED BY: Maintenance Advisory Commission
Cathy Bendel, Finance Director

SUGGESTED ORDER OF BUSINESS:

- Introduction of Item City Administrator
- Report/Presentation.....Director of Public Works
- Questions from Council to Staff..... Mayor Facilitates
- Call for Motion Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

POLICY RECOMMENDER: Director of Public Works

FISCAL IMPACT: This item was approved in the 2015 CIP budget for \$55,000. During the summer of 2014, this same unit was rented and the City was offered a rental credit toward the purchase of \$7,650 if purchased before the 2015 season. The quoted net purchase price being considered is \$45,550, net of the 2014 rental credit, which is \$9,450 under budget.

As proposed in the 2015 Budget for CIP, the net cost for this purchase would be included with the 2015 bonding and the payments would be made from the General Fund operating budget.

SUMMARY AND ACTION REQUESTED: In the summer of 2014, the Public Works department was directed to focus on street repairs. Under the City Administrator’s suggestion to be innovative, the Public Works Director researched various spray patching alternatives to maximize resources. Even though it is advertised as a pot hole patcher, this unit has proven to be extremely effective for small patch repairs, alligator cracking and sealing in catch basins and gate stops. It has also been proven to be extremely effective for preparing street surfaces prior to the annual seal coating.

Utilization of this equipment as a City Asset, removes the limits of the asphalt plant operational hours as well as the limitations imposed by renting a unit vs owning one.

A new spray patcher cost is approximately \$70,000 per state contract pricing. This unit is a 2011 SP10 Loadking and the typical life on this unit is 10 years with an anticipated payback of the purchase price in 4 more years.

BACKGROUND INFORMATION (SWOT):

Strengths	Four year payback and no time use restrictions. In addition, this is a proven alternative for street maintenance and there would be more flexibility due to no time constraints. (Extended patching season)
Weaknesses	Age of machine with no warranty
Opportunities	Unlimited use of the machine if City owned
Threats	Cost of repairs to machine

RECOMMENDATION: Based on the aforementioned, and the support of the MAC (voted 3-0), the staff recommends the following motion be made:

“Move to approve the purchase of the SP10 Loadking spray patcher at the cost of \$45,550 to be funded as presented; contingent upon the verification of hours on machine and an engine oil sample analysis as recommended by the MAC”

ATTACHMENT:

1. RCM invoice/quote