

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: July 12, 2010
	Agenda Item No. 28A Roll Call No. <u>10-445</u> Communication No. <u>10-445</u> Submitted by: Merrill R. Stanley, Deputy City Manager

AGENDA HEADING:

Approving purchase of Automated Lubrication Systems for Vehicles and Equipment.

SYNOPSIS:

Recommend approval of purchase and installation of automated lubrication systems for refuse trucks and street sweepers in the City’s fleet in accordance with specifications of Bid No. V10-103 to the low compliant bidder, Lorenze Lubricant Company, 4815 Hazelwood Avenue, Northfield Minnesota 55057, Jeremy German, President, in the amount of \$134,735.

FISCAL IMPACT:

Amount: \$134,735

Funding Source: Refuse trucks: \$104,950.00, PWK100101, Solid Waste Enterprise Fund, Solid Waste Collection, FY2011 Recommended Operating Budget page 268.

Street sweepers: \$29,785.00, PWK077009, new organization code created in Stormwater Operating Fund via transfers from Street Maintenance, where expenses were previously charged and funds budgeted in PWK071600 and PWK100400, FY2011 Recommended Operating Budget pages 262 and 282, respectively.

ADDITIONAL INFORMATION:

Bids were solicited to provide and install automated lubrication systems on the lifting arms of automated side loading and front loading refuse trucks used by the Solid Waste Division of the Public Works Department for the collection of yard waste, recyclables, and refuse. The bid documents included options to extend the automated system to the body and chassis of the trucks. Automated lubrication systems were also bid for installation on mechanical broom street sweepers used by the Street Cleaning Division of the Public Works Department for daily street cleaning. All equipment types require daily lubrication currently being performed manually by Fleet Services staff.

Cost/ benefit and return on investment analyses show the initial installation cost for automated lubrication systems on automated side loader and front loader lifting arms and body components is recovered within the first three years of use. Refuse trucks have a scheduled use of eight years. Data was gathered and analyzed from a 6 month pilot study of 3 automated refuse trucks evaluating various brands and configurations of automated lubrications systems.

A similar return on investment was identified for street sweepers. Street sweepers have a scheduled use of five years. This return is a result of a reduction in maintenance costs due to a decrease in time necessary to maintain an automated system compared to daily manual lubrication. A return is not realized with an automated lubrication system installed on the truck chassis of the refuse trucks due to a scheduled need for inspections at least twice per year; therefore the option to extend the automated lubrication system to the chassis of refuse trucks is not recommended. In addition to reduced time to maintain lubrication points, repair costs can be reduced as the automated system delivers lubricant on a prescribed time interval throughout the daily operating time of the vehicles and equipment. Wear components are lubricated more frequently than end of shift manual lubrication. There is also higher residual value to units as they are taken out of service and remarketed because subsequent users place increased value on vehicles and equipment that have utilized automated lubrication systems.

Six bids were mailed and three responses were received. A low bid was submitted by Groeneveld, Brunswick Ohio. However, the Groeneveld response was not compliant with the requirement of a lubricant pump capable of delivering the specific grade of lubricant at minimum pressure. The second low bid submitted by Lorenze Lubricant Company was compliant to all specifications, therefore recommend awarding as follows:

Bid item 1: McNeilus Automated Side Loading Refuse Trucks

Recommend awarding the purchase and installation on 13 existing units including automated arm and optional body installation.

Bid item 2: McNeilus Front Loading Refuse Trucks

Recommend awarding the purchase and installation on 3 existing units to include all body arm and body components.

Bid item 3: Elgin Pelican Street Sweepers

Recommend awarding the purchase and installation on 7 existing units to include all designated lubrication points.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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