

 <p style="text-align: center;"><b>Council</b> <b>Communication</b> Office of the City Manager</p>	<b>Date:</b>	November 23, 2015
	<b>Agenda Item No.</b>	<b>56</b>
	<b>Roll Call No.</b>	<b><u>15-2018</u></b>
	<b>Communication No.</b>	<b><u>15-608</u></b>
	<b>Submitted by:</b>	<b>Carl Metzger, Deputy City Manager</b>

**AGENDA HEADING:**

Approving the rental of motor graders for use by the Street Maintenance Division of the Department of Public Works.

**SYNOPSIS:**

Recommend approving the rental of up to four (4) motor graders for up to four (4) months from December 1, 2015 through March 31, 2016 for use by the Department of Public Works in emergency snow and ice control operations from Murphy Tractor and Equipment (5087 East Broadway Avenue, Des Moines, Iowa, 50317, Rick Yeager, Branch Manager) in the amount of \$158,400 under the terms of specifications in Bid No. V16-037.

**FISCAL IMPACT:**

Amount: \$158,400

Funding Source: S360 PW240402 Street Maintenance, Page 240

**ADDITIONAL INFORMATION:**

The City owns nine (9) full-size, and two (2) compact motor graders for use in scheduled road maintenance in the warm weather months and emergency snow and ice control operations in winter months. The availability of 10 full-size units is necessary for emergency snow and ice control operations. Equipment replacement funding is not sufficient to replace and own all equipment needed for emergency snow and ice control operations. The average age of the nine (9) full-size units ranges from 12 to 21 years with an average age of 14 years. Purchase costs for motor graders meeting the specifications for emergency snow and ice control operations would require an expenditure of \$250,000 per unit. Due to the age, condition and costs of owning replacement equipment, rental units are required for emergency snow and ice control operations.

Renting equipment for seasonal use has been adopted when feasible and affordable pricing in the market exists. Up to four (4) motor patrol graders are necessary to supplement the City’s fleet of emergency snow and ice control equipment for the duration of the winter to meet the Department of Public Works level of service for 100% availability of 10 full-size units throughout the emergency snow and ice control season.

Due to the demand for rental units by other entities, motor patrol graders must be retained all winter to guarantee availability for emergency snow and ice control events. Rent and return on demand for

emergency snow and ice control operations is not available. Therefore, award for rental of additional equipment is recommended to secure the necessary equipment from December 1, 2014 through March 31, 2015.

Five (5) bids were mailed and one (1) bid received. Staff surveyed the four (4) nonresponsive bidders to determine reasons for not responding. Of the four (4) nonresponsive bidders, one (1) stated they no longer have motor graders in their rental fleet, one (1) stated they no longer manufacture motor graders and have sold all inventory. One (1) stated they did not have units available to relocate to Des Moines for rental purposes, and the remaining potential bidder indicated that their class of machine that would meet the City's specification rents for more than previously awarded bids and they did not respond because they understood the likely rental market pricing.

The single response from Murphy Tractor of a cost of \$4,950 per month per machine, plus \$49.50 per hour over 100 hours per month represents a 10% increase over base rental costs last year; therefore, award is recommended to Murphy Tractor.

**PREVIOUS COUNCIL ACTION(S):**

Date: October 6, 2014

Roll Call Number: [14-1569](#)

Action: [Murphy](#) Tractor & Equipment (Rick Yaeger, Branch Manager) for rental of four motor graders for use in snow and ice control operations as requested by Fleet Maintenance, \$90,000 for a five month period. (Six bids mailed, one received). ([Council Communication No. 14-485](#)) Moved by Hensley to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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