City of Stoughton, 381 E Main Street, Stoughton WI 53589

RESOLUTION FROM THE UTILTIES COMMITTEE TO THE STOUGHTON COMMON COUNCIL			
Authorizing and directing the proper City official(s) to approve the bid award and purchase of the Vactor 2100+ Sewer Cleaning Truck from Bruce Equipment at the cost of $392,920, less a trade in credit of $85,000.			
Committee Action:	Utilities Committee recommended Common Council approval 7-0		
Fiscal Impact:	$307,920		
File Number:	R-xxx-2018	**Date Introduced:**	March 13, 2018

The City of Stoughton, Wisconsin, Common Council does proclaim as follows:

WHEREAS, as part of the Stoughton Utilities' five year (2018-2022) Capital Improvement Plan (CIP), the wastewater utility had budgeted $400,000 for the purchase of a new sewer-cleaning truck in 2018., and

WHEREAS, pursuant to the City of Stoughton Purchasing Policy, a list of minimum specifications and a Request for Proposal was distributed to several manufacturers of sewer cleaning trucks. Proposals and bids were received from three manufacturers, Bruce International, Envirotech Equipment, and Northern Sewer Equipment Co., and

WHEREAS, after careful consideration, it is staff's recommendation that the bid be awarded to Bruce Equipment for the purchase of a Vactor 2100 combination machine, and

WHEREAS, your Stoughton Utilities Committee met on February 19, 2018 to approve the bid award and purchase of the Vactor 2100+ from Bruce Equipment, and recommend approval to the Stoughton Common Council., now therefore

BE IT RESOLVED by the Common Council of the City of Stoughton that the proper city official(s) be hereby directed and authorized to approve the bid award and purchase of the Vactor 2100+ from Bruce Equipment at the cost of $392,920, less a trade in credit of $85,000.

Council Action: ☐ **Adopted** ☐ **Failed** **Vote:** _____

Mayoral Action: ☐ **Accept** ☐ **Veto**

_____ _____

Mayor Donna Olson Date

Council Action: _____ ☐ **Override** **Vote:** _____

Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Since 1886

Date: February 13, 2018

To: Stoughton Utilities Committee

From: Brian G. Erickson
Stoughton Utilities Wastewater System Supervisor

Robert P. Kardasz, P.E.
Stoughton Utilities Director

Subject: Request to authorize the bid award for the replacement of sewer-cleaning truck #17

As part of the Stoughton Utilities' five year (2018-2022) Capital Improvement Plan (CIP), the wastewater utility had budgeted $400,000 for the purchase of a new sewer-cleaning truck in 2018. This truck replaces our current sewer-cleaning truck #17.

Pursuant to the City of Stoughton Purchasing Policy, a list of minimum specifications and a Request for Proposal was distributed to several manufacturers of sewer cleaning trucks. Proposals and bids were received from three manufacturers. A bid summary is shown below:

	Staff Recommendation		
Distributor:	Bruce Equipment	Envirotech Equipment	Northern Sewer Equipment Co
Chassis:	International 7500	International 7500	International 7500
Engine:	Cummins 370 HP Single	Cummins 370 HP Single	Cummins 370 HP Single
Vac Unit:	Vactor 2100 Plus PD	Vac-Con Combination	900-ECO Combination
Bid Date:	12/7/2017	12/4/2017	12/13/2017
Equipment Cost:	$ 392,920	$ 336,000	$ 369,750
Trade-In Credit:	$ (85,000)	$ (45,000)	$ (60,000)
Final Cost:	**$ 307,920**	**$ 291,000**	**$ 309,750**

All bids came in significantly under the budgeted amount due to the trade-in credits. After careful consideration, it is staff's recommendation that the bid be awarded to Bruce Equipment for the purchase of a Vactor 2100 combination machine. The purchase of this unit will cost an additional $16,920 over the low bid received. As this was not the lowest bid received, staff is requesting that the Utilities Committee and the Stoughton Common Council review and accept staff's recommendation.

Staff's justification for going with a bid other than the low bid is that it is anticipated that over time, the cost savings associated with operating and maintaining the recommended vehicle will ultimately cancel out the up-front savings provided by the low bidder.

The low bid is a Vac-Con unit, which is the same manufacturer as our existing sewer-cleaning machine. During the past ten years that we have owned and operated our current unit, we have experienced many mechanical issues, and continue to have numerous maintenance and reliability concerns. After calling current references provided by the manufacturer, it appears that other communities have experienced similar mechanical issues with the newer models, and that these reliability concerns have not been resolved.

The second low bid, and staff's recommendation, is a Vactor unit. Staff anticipates that the up-front purchase cost differential between the Vactor and the Vac-Con will be recouped within the first two years of ownership due to increased efficiencies and reduced maintenance. It is anticipated that the unit will be 33% cheaper to operate due to more efficient water use, less fuel consumption, reduced maintenance requirements, and increased reliability and staff productivity. This figure is supported by a fuel and maintenance cost analysis performed by the City of Des Moines. In addition, it is staff's opinion that the unit is more operator-friendly and safer to operate, including having additional emergency stop locations and a centered hose reel that helps protect the operator from passing traffic.

This unit will be budgeted for a minimum useful life of at least ten-years. Vactor manufactures more units annually than both Vac-Con and Sewer Equipment Co. combined, and trade in values of these units indicate that this unit has the best resale value in the industry. In addition, the manufacturer offers operator and mechanic training for up to 10 years as needed, as well as no-cost annual inspections to assist the Fleet Manager at the Department of Public Works.

We are requesting that the Stoughton Utilities Committee approve the bid award and purchase of the Vactor 2100+ from Bruce Equipment at the cost of $392,920, less a trade in credit of $85,000, and recommend approval to the Stoughton Common Council.

Information regarding Stoughton Utilities' Renewable Energy Program: Stoughton Utilities staff discussed the Renewable Energy Program and distributed generation, including customer participation rate, national recognition, and environmental impacts. Discussion followed.

Bad debt account write-offs through December 31, 2017: Stoughton Utilities staff presented the annual list of bad debt account write-offs for calendar year 2017. The delinquent balances presented remain after collection efforts of at least six months in duration have proven to be unsuccessful. Motion by Alderperson Michael Engelberger, the motion seconded by Citizen Member David Erdman, to approve the Bad Debt Account Write-offs through December 31, 2017, and recommend the Stoughton Common Council approve the write-offs and adopt the accompanying resolution. The motion carried 7 to 0.

Customer collections status report: Stoughton Utilities staff presented and discussed a status report on delinquent customer collections, including past history and current collection strategies. Stoughton Utilities' efforts in working with our customers to meet their financial obligations continue to be successful. Discussion followed.

Regulatory review of Water Utility rates: Stoughton Utilities Staff has conducted a thorough review of our current water rates and has determined that the water utility income has fallen below adequate levels to continue routine replacement of aging water mains and lead services. Staff presented current financial information and a residential bill comparison. Discussion followed.

Ordinance to amend Chapter 74 of the City of Stoughton Code of Ordinances, relating to utilities and sewer use: Stoughton Utilities Staff presented revisions to Chapter 74 of the City of Stoughton Code of Ordinances. Changes to the ordinance largely focus on allowed discharges, fats, oils, and greases (FOG) prevention including our grease trap inspection program, as well as other updates required to conform to our Capacity, Management, Operation, and Maintenance (CMOM) program, and the requirements set forth by the Wisconsin Department of Natural Resources and United States Environmental Protection Agency. Discussion followed. Motion by Alderperson Michael Engelberger, the motion seconded by Citizen Member David Erdman, to approve the amended ordinance, and recommend the ordinance to be adopted by the Stoughton Common Council, to be introduced on March 13, 2018. The motion carried unanimously 7 to 0.

Request to authorize the bid award for the replacement of sewer-cleaning truck #17: Stoughton Utilities Staff presented and discussed bid results for the replacement of sewer-cleaning truck #17. All bids came in significantly under the budgeted amount due to the trade-in credits. After careful consideration, it is staff's recommendation that the bid be awarded to Bruce Equipment for the purchase of a Vactor 2100 combination machine. Discussion followed. Motion by Alderperson Pat O'Connor, the motion seconded by Citizen Member John Kallas, to approve the bid award and purchase of the Vactor 2100+ from Bruce Equipment at the cost of $392,920, less a trade in credit of $85,000, and recommend approval to the Stoughton Common Council. The motion carried unanimously 7 to 0.

Revisions to Section III of the City of Stoughton Work Rules related to On-Call status: Stoughton Utilities Staff presented and discussed Stoughton Utilities' on-call rotation, including normal, holiday, and other schedules, and requested that changes be made to the language in