



Folsom City Council Staff Report

MEETING DATE:	1/14/2025
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11314 – A Resolution Authorizing the City Manager to Execute an Amendment to the Agreement with Williams Scotsman, Inc. for the Lease of the Modular Building Occupied by the Waste and Recycling Division
FROM:	Public Works Department

RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt Resolution No. 11314 - A Resolution Authorizing the City Manager to Execute an Amendment to the Agreement with Williams Scotsman, Inc. for the Lease of the Modular Building Occupied by the Waste and Recycling Division.

BACKGROUND / ISSUE

The Waste and Recycling Division (Division) of the Public Works Department is located in the City of Folsom Corporation Yard. The Division administrative staff work from a modular trailer originally leased from ModSpace in 2007. ModSpace has since been sold to Williams Scotsman, Inc. (WillScot), who currently owns the building. In October 2019, the city executed a lease with WillScot to secure the building and rental rate for five years. Following the five-year period, the agreement transitioned to a month-to-month rental, which does not guarantee the monthly rate or continued use of the building.

Both parties are interested in amending the original agreement to maintain the current rental rate and secure the building for an additional two years. The short-term lease allows for an easier transition when the Division is moved to the future location of the Corporation Yard.

This resolution will authorize the City Manager to execute an extension to the lease agreement with WillScot for two (2) additional years.

POLICY / RULE

In accordance with Section 2.36.080 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of \$75,049 or greater shall be approved by City Council.

ANALYSIS

In consideration of the future transition to a new Corporation Yard, the Department recommends a short-term extension of the lease on the administrative building it has occupied for seventeen years. A lease fixes monthly costs and establishes the party responsible for building maintenance and repairs. If the current Corporation Yard were going to be used long-term, a longer-term office solution would be evaluated through a bid process; however, taking into consideration the cost and operational disruption of removing the current building and installing a new building, entering into a new lease to seamlessly continue operations is the most practical course of action.

Another consideration was purchasing the building. The cost before tax is \$256,320, equating to nearly 14 years of rent at the current rate. Additionally, the city would be responsible for maintenance costs currently included in the lease.

The monthly rental rate is \$1,550 per month, therefore the additional two years adds \$37,200 to the lease. The city also remains responsible for the final return charges at the end of the lease, which were estimated at \$15,530.20 in 2019.

FINANCIAL IMPACT

The amendment to the agreement is for two years of rent which equates to \$37,200. The lease of the Waste and Recycling administration office is included in the adopted Fiscal Year 2024-25 Operating Budget and funded through the Solid Waste Operating Fund (Fund 540). The remaining cost to the Solid Waste Operating Fund (Fund 540) in Fiscal Year 2024-25 to continue utilizing this building is \$13,361, including taxes. Sufficient funds for this amendment are available in the current fiscal year in the Solid Waste Operating Fund (Fund 540) and will be made available through the budget process for the remainder of the period of the agreement.

ENVIRONMENTAL REVIEW

This action is exempt from environmental review under the California Environmental Quality Act (CEQA).

ATTACHMENTS

Resolution No. 11314 - A Resolution Authorizing the City Manager to Execute an Amendment to the Agreement with Williams Scotsman, Inc. for the Lease of the Modular Building Occupied by the Waste and Recycling Division

Submitted,

Mark Rackovan, PUBLIC WORKS DIRECTOR

RESOLUTION NO. 11314

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE AGREEMENT WITH WILLIAMS SCOTSMAN, INC. FOR THE LEASE OF THE MODULAR BUILDING OCCUPIED BY THE WASTE AND RECYCLING DIVISION

WHEREAS, the administrative operations of the Waste and Recycling Division of the Public Works Department currently utilize a rented modular trailer located at the City of Folsom Corporation Yard; and

WHEREAS, the current modular trailer is meeting the operational needs of the Waste and Recycling Division; and

WHEREAS, the lease for the existing modular trailer has expired; and

WHEREAS, the city and Williams Scotsman, Inc. (Willscot) have continued to operate under the terms of the lease; and

WHEREAS, staff has considered the limited term use of the current Corporation Yard in the recommendation to continue leasing the existing building rather than solicit bids for a replacement building; and

WHEREAS, a lease agreement secures the building for use by the Waste and Recycling Division over the next two (2) years; and

WHEREAS, staff recommends amending the agreement with Willscot to continue leasing the modular building for two additional years which equates to \$37,200; and

WHEREAS, sufficient funds are budgeted and available in the Solid Waste Fund (Fund 540) in the current fiscal year and will be made available for the remainder of the agreement through the budget process; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute an amendment to the agreement with Williams Scotsman, Inc. for the lease of the modular building occupied by the Waste and Recycling Division.

PASSED AND ADOPTED this 14th day of January, 2025, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE