



Folsom City Council Staff Report

MEETING DATE:	7/28/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10492 - A Resolution Authorizing the City Manager to Execute an Agreement with Williams Scotsman Inc. for the Purchase of Two Modular Office Buildings and Appropriation of Funds
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 10492 - A Resolution Authorizing the City Manager to Execute an Agreement with Williams Scotsman Inc. for the Purchase of Two Modular Office Buildings and Appropriation of Funds.

BACKGROUND / ISSUE

The Environmental and Water Resources Department (EWR) has two locations where modular buildings are utilized for staff offices; at the Water Treatment Plant and at the Corporation Yard. The Utility Maintenance and Water Meter divisions work out of a four-plex unit at the Water Treatment Plant. The Wastewater Collections and Water Conservation staff from the Wastewater and Water Conservation divisions work out of a triple-wide unit located at the City of Folsom Corporation Yard. The modular buildings were originally leased from ModSpace. ModSpace has since been sold to Williams Scotsman, Inc., who currently owns the modular buildings. The contracts on both units have expired, resulting in EWR leasing the two units on a month-to-month basis. Leasing on a month-to-month basis typically results in a 20% annual rent increase.

EWR staff analyzed several work space options for these divisions moving forward. Options included, (1) Continue paying monthly, (2) Enter into a 5-year lease, (3) Purchase current units from Williams Scotsman Inc. or (4) Purchasing new units. After evaluating the 5-year cost

and operational impact, EWR staff recommends purchasing the current units from Williams Scotsman Inc.

This resolution will authorize the City Manager to execute an agreement with Williams Scotsman, Inc. for the purchase of two existing modular building and appropriation of funds, one building at the Water Treatment Plant and one building at the City Corporation Yard.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of \$62,014 or greater shall be awarded by City Council.

ANALYSIS

EWR staff evaluated the four work space options for modular buildings over a 5-year period. The evaluation process took into consideration price as well as the cost and operational disruption of removing the current buildings and installing new buildings. The best option for the City is to purchase the existing buildings. Reviewing the cost for each option, option #2 & #3 were comparable, however the benefit to cost of option #3 beyond the 5-year evaluation period far exceeds that of option #2. Option #2 would include additional future costs after the expiration of the 5-year lease. The summary of the costs for the four options is as follows:

Options:	5- year Cost
(1) Continue paying monthly	\$595,000
(2) New 5-year lease	\$357,000
(3) Purchase of Current Units	\$355,000
(4) Purchase of New Units	\$806,000

Staff reviewed maintenance and do not anticipate anything more than routine maintenance. Associated costs will be absorbed in the current fiscal year's budget, and accounted for in the budget process in future fiscal years. The Environmental and Water Resources Department recommends that the City Council authorize the City Manager to Execute an Agreement with Williams Scotsman Inc. for the Purchase of Two Modular Office Buildings.

FINANCIAL IMPACT

The Environmental and Water Resources Department recommends that the contract be awarded to Williams Scotsman, Inc in the amount of \$355,000. An appropriation of funds in the amount of \$355,000 is required with \$239,000 from the Water Operating Fund (Fund 520) and \$116,000 from the Sewer Operating Fund (Fund 530). Sufficient funds for this appropriation are available in the Water Operating Fund (Fund 520) and the Sewer Operating Fund (Fund 530) in Fiscal Year 2020-21 in the amount of \$355,000.

ENVIRONMENTAL REVIEW

This action is exempt from environmental review under the California Environmental Quality Act (CEQA), Section 15301.

ATTACHMENT

Resolution No. 10492 - A Resolution Authorizing the City Manager to Execute an Agreement with Williams Scotsman Inc. for the Purchase of Two Modular Office Buildings and Appropriation of Funds.

Submitted,

Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

RESOLUTION NO. 10492

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH WILLIAMS SCOTSMAN INC. FOR THE PURCHASE OF TWO MODULAR OFFICE BUILDINGS AND APPROPRIATION OF FUNDS

WHEREAS, the Environmental and Water Resources Department currently utilizes two rented modular buildings for its water and wastewater operations.; and

WHEREAS, the leases for these modular buildings have expired; and

WHEREAS, the current modular buildings are meeting the operational needs of the water and wastewater divisions; and

WHEREAS, staff has considered several options and recommends purchasing the existing modular buildings rather than solicit bids for replacement or extending the current lease for another 5 years; and

WHEREAS, sufficient funds are available in the Water Operating Fund (Fund 520) and Sewer Operating Fund (Fund 530) in the amount of \$355,000; and

WHEREAS, an appropriation from Water Operating Fund (Fund 520) and Sewer Operating Fund (Fund 530) will be required in the amount of \$355,000; 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 Agreement with Williams Scotsman Inc. for the Purchase of Two Modular Office Buildings and Appropriation of Funds for a not-to-exceed amount of \$355,000.

BE IT FURTHER RESOLVED that the Finance Director is authorized to appropriate \$239,000 from the Water Operating Fund (Fund 520) and \$116,000 from the Sewer Operating Fund (Fund 530) for a total project budget of \$355,000.

PASSED AND ADOPTED on this 28th day of July 2020, by the following roll-call vote:

AYES: Council Member(s)
NOES: Council Member(s)
ABSENT: Council Member(s)
ABSTAIN: Council Member(s)

ATTEST:

Sarah Aquino, MAYOR

Christa Freemantle, CITY CLERK