



STAFF REPORT

Meeting Type: City Council
Meeting Date: June 17, 2024
From: Jenny Coker, Public Works Director
Subject: Purchase Authorization: Street Sweeper for Public Works Department

DECISION TO BE MADE:

Whether to authorize the City Manager to procure a street sweeper for the Public Works Department.

BACKGROUND / CONTEXT:

Street sweeping services for the City of Sandy have been contracted out to Great Western Sweeping for many years. However, the last few years have seen rapidly escalating costs of services due to pricing for labor and materials, leading staff to work on a method to manage rising costs. The conversation around bringing this service in-house has been done in the past, and it appears that the timing is now right to do so.

Great Western performs street cleaning services during the last two weeks of each month unless requested for special or unplanned services. The monthly service takes approximately four days and includes hauling and disposal services. The biennial budget for street sweeping (Contractual Services) for fiscal years 2024-2025 is \$805,000. The actual expense has risen from \$342,730 in biennium 2019-2021 and \$428,537 in biennium 2021-2023.

In the last year, the department has attempted to reduce street sweeping services to every other month in an effort to reduce sweeping costs. However, the department was only able to skip 1 out of 6 scheduled sweeping events and maintain the expected level of services. Therefore, minimizing the number of sweeping services is not a viable option for reducing expenses. As a result, the department moved forward analyzing the feasibility of taking over street sweeping services.

KEY CONSIDERATIONS / ANALYSIS:

Staff has conducted an internal analysis of the concept of bringing street sweeping services in-house. This included interviewing other agencies, as well as soliciting three quotes from Sourcewell vendors (only two responded) and conducting onsite demonstrations of the equipment. Please see the attached memo from our Public Works Superintendent for additional information.

Cost Considerations

Staff universally prefers the Owen Equipment Elgin RegenX street sweeper model, which was also the lowest cost quote at \$324,956.

There will be additional costs with running the street sweeper, including brush replacement, mechanical servicing, fuel, and sweeping disposal. Staff currently estimates these costs to be in the range of \$75,000 per year.

The street sweeper model is currently available, and with the remaining funds available in the contractual services line, staff estimates finishing the year on budget, even with the purchase.

Staffing Considerations

In order to bring street sweeping services in-house, staff will need to reassign a utility worker for 40-hours per month, which will further limit staff capacity. Once this service is brought in-house, a staffing analysis will be conducted to determine if the current volume of work can be handled with existing staff, or if an additional full-time employee (FTE) needs to be added to the public works staff in the next biennium.

With contracting out median maintenance and the assistance of the seasonal employee, staff believes we can accommodate extra street sweeping for the next year with maintaining basic service levels.

Anticipated Savings

Moving forward (accounting for the possibility of an extra FTE and disposal costs) this line item would likely drop from \$805,000 per biennium to \$405,000 per biennium. This would result in a savings of \$400,000 per biennium.

Switching to internal street sweeping, and accounting for the possibility of an increase in staffing will bring additional savings to the Street fund, and allow for better service for Sandy citizens. Additionally, if an additional FTE were allocated, this employee would be able to assist with additional street sweeping and right of way maintenance needs. The return on investment appears to be only a single year. If approved, staff will give 30-days' notice of termination to Great Western Sweeping and will plan to assuming street sweeping duties in August 2024.

BUDGET IMPACT:

The Elgin RegenX street sweeper has a purchase price of \$324,956 and can be accommodated by the current Street Fund Budget. By terminating our Street Sweeping Contract with Great Western, the street sweeper may be purchased using reallocated funds within the Operations Department of the Street Fund. It is expected that this purchase will result in large savings in future biennial budgets compared to the rising costs of street sweeping services.

RECOMMENDATION:

Authorize the City Manager to procure the Elgin RegenX street sweeper from Owen Equipment Company for the Public Works Department.”

SUGGESTED MOTION LANGUAGE:

“I move to authorize the City Manager to procure an Elgin RegenX street sweeper from Owen Equipment Company for the Public Works Department.”

LIST OF ATTACHMENTS / EXHIBITS:

- Street Sweeping Operations Analysis Memo
- SWS A7 Equipment Quote
- Owen RegenX Equipment Quote