



Council Agenda Report

From: Dick McKinley, Public Works Director
Subject: Replacing the City's Failed Street Crack Sealing Machine
Date: January 16, 2018

Facts

1. Crack sealing (with melted rubber) is one of the least expensive and most effective forms of street maintenance.
2. The City's crack sealing machine is very old (1993) and was on the replacement schedule for FY 2017-18, but was removed from the list late in the process to make sure that we could afford to purchase a used paver as that machine was no longer functional.
3. All items on the fleet replacement schedule have been purchased or are in process, including the used paver, and we have sufficient funds remaining to be able to afford to purchase a used crack sealing machine this year.
4. The 1993 crack sealing equipment has completely failed (no longer repairable) and the crews are using a rented crack sealer to complete the work this season. Renting is relatively expensive (\$7,200/month), and we can purchase a 2016 used crack sealer for less than the cost to rent a machine for one year.

Options

1. Do nothing;
2. Add a used crack sealing machine to the fleet replacement schedule for FY 2017-18 and authorize the purchase of the used machine for a price not to exceed \$47,500;
3. Direct staff to continue to use a rental crack sealing machine and budget for a replacement in FY 2018-19;
4. Direct staff to have all future crack sealing done by contract.

Analysis and Conclusions

Renting a crack sealing machine is not cost effective since we can purchase a 2016 used machine for a cost that is less than 7 months of rental fees. As crack sealing is an ongoing maintenance effort, we will need to do crack sealing as an annual project each and every year going forward. As noted above, crack sealing is one of the least expensive and most effective forms of street maintenance.

Contracting for all crack sealing work would be unnecessarily expensive as all contract work includes a profit margin and mobilization charges. A good quality used crack sealing machine is likely to last for at least 15 more years and is less expensive per year of use than purchasing a new crack sealer.

Fiscal Impact

The budget for fleet replacement for the General Fund/Fund 125 is \$490,725. The amount spent to replace all of the equipment is \$425,454, leaving a balance of \$65,271. This leaves more than enough funding to replace the crack sealing machine. All of the programmed equipment replacements are completed or in process, and sufficient funds are available to purchase a good quality used crack sealing machine. The purchase cost is much less than renting a machine each year, and over the long run is less expensive than doing this work by contract.

This will not add any pieces of equipment to our equipment inventory; it is replacing a current piece of equipment that will be surplus.

Recommendation

Add a used crack sealing machine to the fleet replacement schedule for FY 2017-18 and authorize the purchase of the used machine for a price not to exceed \$47,500.

Attachments

None