



Board Agenda Item 53

DATE: November 14, 2017

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: First Amendment to Agreement with United Rentals

RECOMMENDED ACTION:

Approve and authorize the Chairman to execute Amendment 1 to Agreement No. A-16-657 with United Rentals (North America), Inc. increasing the annual maximum expenditures for the Maintenance Division from \$75,000 to \$200,000 (with resultant new \$1,050,000 contract maximum)

On November 15, 2016 your Board approved the Agreement with United Rentals for rental of heavy equipment. The Agreement specified a \$75,000 annual maximum for the Road Maintenance Division for the three-year primary term and each of the two renewal periods; a total of \$375,000 over the potential five-year term. Public Works and Planning seeks an increase in the annual agreement maximum allocable to the Road Maintenance Division due to an unusually high usage of rental equipment last winter related to the very rainy season, emergency road repairs, and the previous reduction in County-owned heavy equipment. The amendment does not alter the \$10,000 annual maximum for the Resources Division (a total of \$50,000 for the potential 5 year term.)

ALTERNATIVE ACTION:

No viable options are available. The annual maximum of the agreement has been expended, and United Rentals will continue to be essential in providing needed equipment to the County for road repair and maintenance.

FISCAL IMPACT:

There is no Net County Costs associated with the recommended action. Funds for these services are provided in the FY 2017-18 Public Works and Planning - Roads Org 4510 Adopted Budget. Appropriations for continuation of this agreement will be included in future years' recommended budgets.

DISCUSSION:

Fresno County, for many years, has contracted with vendors for rental of heavy equipment such as excavators, pavement rollers, pavement milling machines, and various other types of specialty equipment. The equipment is used for maintenance and repair of County roads including day labor projects and emergency road repairs. The amount and types of equipment needed can vary from week to week.

In the later part of 2016 and early 2017, the Department was required to rent much more equipment than anticipated due to the increased rainfall, flooding and emergency road repairs of last winter. The need to rent more equipment appears to be increasing on a yearly basis. Also, in an effort to cut cost and

streamline operations, in 2012-13 the Department began the process of reducing the amount of County owned equipment. The general idea was that it would be less expensive to contract for rental of additional equipment as needed than to purchase more equipment and maintain it. This reduced the amount of equipment that the division has on hand for road maintenance operations, and created the need to rent more equipment on a monthly and yearly basis.

The annual maximum expenditures allowed under the Agreement for the Road Maintenance Division has been exhausted for the current contract year. The increase for the Road Maintenance Division is needed to continue renting equipment from United Rentals and to pay outstanding invoices. The \$10,000 annual maximum specified in the Agreement for the Resources Division will remain the same.

REFERENCE MATERIAL:

BAI #50, November 15, 2016

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - First Amendment to Agreement A-16-657

CAO ANALYST:

John Hays