

TOTAL COST OF OPERATION SPECIFICATIONS FOR STREET SWEEPERS

The intent of this specification is to describe special terms and conditions for the City of _____ to purchase one or more street sweeper(s) based on the Total Cost of Operation method of equipment ownership. The specification is written to insure that equipment purchased by the City will provide the lowest total cost during its useful life. The specification is supplemental to the Equipment Specification.

DEFINITIONS

The term “City” shall mean the City of _____.

The term “Vendor” shall mean the manufacturer or dealer (business) who represents the manufacturer of the equipment being purchased.

The term “Fleet Manager” shall mean the City Fleet Manager or his designated representative wherein the equipment will be operated and maintained.

The term “Vendor Principal” shall mean the principal person or his designated representative of the successful vendor organization for whom this contract shall apply.

The term “normal workday” shall mean a day that falls on or between Monday and Friday of the calendar week, 52 weeks a year, excluding Federal and District holidays. A list of all Federal and District holidays shall be supplied to the Vendor from the City upon award of this contract.

The term “normal working hours” shall mean the time period of a normal workday when the City’s main equipment shop and/or maintenance facility is normally open for operation. The City shall supply the Vendor with this information upon award of this contract.

The term “in-service date” shall mean the date the City places the unit in operation. The City will notify the Vendor Principal of the in-service date.

The term “downtime” shall mean the period of time measured in normal workdays that the unit is unable or unsafe to perform those operations for which the unit was designed. Vendor supervising personnel, after inspection, will determine if the unit is inoperable or unsafe.

1. METHOD OF PURCHASE

The total life cycle cost value of each unit will be based on the following:

- a. Purchase Price: The initial cost of purchase a new, current production model unit in accordance with the Equipment Specification.
- b. Parts Availability: The cost of providing guaranteed parts availability as outlined in Section 4 of this specification.

- c. Extended Warranty: The cost of providing a five (5) year or 6,000 engine hour extended warranty as outlined in Section 5 of this specification.
- d. Guaranteed Maximum Cost of Repairs and Maintenance: The total cost that the Vendor projects will be expended by the City for repairs and preventative maintenance to the sweeper for a five (5) year or 6,000 engine hour period as outlined in Section 6 of this specification.

The total life cycle cost award value will be the total sum of the above individual costs. The City will evaluate the bid based on the total life cycle cost award value.

2. OPERATION

The equipment purchased will operate within the City by qualified City personnel.

Equipment operation will consist of only those duties for which the unit was designed. Only City personnel qualified as equipment operators will operate the equipment.

The equipment will primarily operate during normal working hours. However, the equipment may also operate at night and during weekends. All City equipment must be available 24 hours a day, 7 days a week for emergency operation.

3. MAINTENANCE

The City will maintain the equipment in accordance with the manufacturer's published instructions for the equipment purchased. The successful Vendor shall provide maintenance service training as outlined within the Equipment Specification. The successful Vendor has the right to inspect the equipment at any reasonable time during normal working hours and identify any shortcomings in the City's maintenance program.

The City will assume at its own expense all cost for items normally consumed in day-to-day equipment operation. Consumable parts, components, and supplies unique to the equipment being purchased are listed on the attached "Consumable Items" list. All replacement parts, components, and supplies used by the City will meet or exceed the manufacturer's published specifications for the original parts, components, or supplies being replaced.

4. PARTS AVAILABILITY

The Vendor shall guarantee that all equipment parts and components shall be available to the City (i.e. received at the City) within four (4) normal workdays following the request date. The Fleet Manager will notify the Vendor Principal of parts requested by the City during normal working hours. Parts will be considered available if received before the end of the fourth normal workday following the request date.

If the requested part or component is not available to the City by the end of the fourth normal workday, the Vendor will be billed a daily amount of \$500 (i.e. daily rental cost of a replacement unit and operator) for each normal workday, exceeding the four day allowance, the part or component is unavailable. Parts received during normal working hours will be considered unavailable for that day, being available for the following workday.

The Vendor may elect to temporarily provide a relief unit to prevent penalties due to unacceptable parts availability. All costs associated with securing and delivering the relief unit shall be at the Vendor's expense, with no cost to the City. The relief unit must be functionally equivalent to its replacement.

Major component assemblies, limited only to the cab assembly, hopper assembly, and frame assembly may take exception to the four (4) day parts availability. The City will allow a thirty (30) calendar day parts availability for these major components. The Vendor shall guarantee that the three (3) major component parts previously mentioned will be available to the City within thirty (30) calendar days following the request date. The City Fleet Manager will notify the Vendor Principal of parts requested by the City during normal working hours. Parts availability penalties shall apply to these major component assemblies for each normal workday exceeding the thirty (30) calendar day allowance.

The Vendor shall supply the City with the manufacturers published retail parts price list, including applicable City discounts, if any, for all equipment parts and components of the unit meeting the Equipment Specifications. Parts requested by the City shall cost the City no more than the price listed in this published parts price list. Costs associated with parts delivery or freight shall be burden upon the City at no cost to the Vendor. Parts price deviations shall be immediately reported to the City and a revised published parts price list, including, City discounts, if any, shall be furnished.

This guarantee shall be in effect for a period of five (5) years or 6,000 engine hours, whichever comes first, for each unit purchased. Time will be measured in calendar years from the in-service date and engine hours will be recorded on the electric, solid state hour meter provided with the unit.

5. EXTENDED WARRANTY

The Vendor shall guarantee that equipment purchased under this contract will be free from defects in workmanship and materials for a period of five (5) years or 6,000 engine hours, whichever comes first. The Extended Warranty shall cover the entire unit (i.e. bumper to bumper), excluding only those consumable items listed on the attached "Consumable Items" list. This Extended Warranty shall override the one (1) year, 1,200 hour Warranty specified in the City's Equipment Specification.

Time will be measured in calendar years from the in-service date and engine hours will be recorded on the electric, solid state hour meter provided with the unit.

6. GUARANTEED MAXIMUM COST OF REPAIRS AND MAINTENANCE

The Vendor will be fully responsible for the total cost of all repairs (including parts and labor) to the sweeper furnished in exceed of the Guaranteed Maximum Cost of Repairs and Maintenance as bid during the first five (5) years or 6,000 engine hours, whichever comes first.

In determining whether the Guaranteed Maximum Cost of Repairs and Maintenance has been reached, the cost of repairs (including parts and labor) made under the five (5) year or 6,000 engine hour extended warranty as described in Section 5 shall not be included.

In determining the cost of repairs and maintenance to be accumulated toward the Guaranteed Maximum Cost of Repair and Maintenance, the following provisions shall apply:

- a. In the event the cost of repairs and maintenance including parts and labor as estimated by the City is less than \$250, the City shall have the right to have the repairs and maintenance made in the City shop and need not give notice to the Vendor prior to the repairs or maintenance being made. In computing the cost of repairs and maintenance being made by the City, all City labor cost will be computed at a rate not to exceed \$___ per hour for shop labor. All towing and/or transportation costs of equipment for the purpose of repair will be charged to repair costs. Parts shall be charged at actual cost and shall be purchased from the Vendor.
- b. In the event the cost of repairs and maintenance including parts and labor as estimated by the City to be \$250 or more, the City shall submit to the Vendor the estimated cost of repairs and a detailed account of the work to be done. The Vendor shall then submit its cost estimate on the work to be done, such estimates to be filed with the City not later than one (1) normal work day after receipt of the City's estimate.

Upon agreement, such repairs shall be made by the Vendor's service shop and billed to the City at the Vendor's then prevailing rate. If, however, the Vendor and the City agree, then such repairs may be made in the City Fleet Management department in which event the cost of such repairs shall be computed on the same bases as that set forth in Paragraph "a" above.

Repairs may be made in service shop(s) other than of the Vendor or City, if the Vendor and City agree. The service department chosen must be agreeable to both parties.

- c. The City will maintain the repair cost records and cumulative cost of repairs for determination under this Section and the Vendor shall have the right to examine such repair cost records at any time.
If the repair cost record for any one repair is not available for examination within sixty (60) days after the repair is completed, then the Vendor shall not be bound by the provisions of this Section which require him to be responsible for all repairs exceeding the guaranteed amount.
Within ninety (90) days after the end of the sweeper's operating year the Vendor shall review the year's record and shall state in writing his agreement or disagreement. If the Vendor disagrees with the cost records, the matter will go to arbitration as described in Section 11 and they will determine what cost figure is to be used for the year. If the Vendor takes no action within the ninety (90) day period set forth, the repair cost records for the year will be considered acceptable to both parties.
- d. If, during the first five (5) years or 6,000 hours of operation, whichever comes first, the actual cost of repairs computed as provided herein exceeds the Guaranteed Maximum Cost of Repairs and Maintenance bid by the Vendor, the Vendor shall either reimburse the City for these excess costs as incurred by the City or provide the repairs to the City free of any charge or cost.

7. WARRANTY REPAIRS

During the extended warranty period the Vendor will be responsible for 100% of parts and labor for all repairs covered under the Extended Warranty. The City Fleet Manager will notify the Vendor Principal during normal working hours of necessary warranty repairs covered by the Extended Warranty. The City will assume full responsibility for repair costs due to theft, vandalism, accident, City personnel negligence, or act of God.

At such time a warranty repair is reported, the City Fleet Manager and the Vendor Principal will determine whether the repair will be made by one of the following methods:

- a. In Vendor's Service Shop: The Vendor will repair the unit at the Vendor's designated service shop. Transport to and from a service shop designated by the Vendor will be at the expense of the Vendor.
- b. By Vendor's Field Service Mechanic: The Vendor's field service mechanic will repair the unit at the City's maintenance shop or at a location mutually agreed upon by the City Fleet Manager and the Vendor Principal. The Vendor's field mechanic shall comply with City safety regulations and general legal relations and responsibility conditions when working on City property. The Vendor's field mechanic shall notify the City's Fleet Manager prior to any work performed on City property. Cost of repairs to the unit, travel expense of mechanic, mechanic's hourly rate, per diem, and truck rental shall be at the expense of the Vendor.
- c. In City's Service Shop: Upon request of the Vendor, City service shop repairs may be made by City service personnel. City service shop repairs will only be made permitted that City shop workloads, at the time of request, enable such repairs. The City Fleet Manager will determine, at the time of request, if City service shop repairs are a viable option. City service shop repairs will be made during normal working hours by qualified City personnel. The Vendor will supply all necessary repair parts at no cost to the City. The Vendor will reimburse the City the cost of City labor and parts to repair the unit.
- d. Any other method mutually agreed upon between the Vendor Principal and the City Fleet Manager that results in no cost to the City.

In the event a minor warranty repair is immediately necessary to avoid a public hazard, the City will perform minor warranty repairs prior to Vendor notification. The Vendor shall reimburse the City for the cost of such repairs.

City repairs authorized by the Vendor Principal shall be Vendor certified as equal to repairs made by the Vendor. All parts removed by the City for replacement will be made available to the Vendor, at the Vendor's request, with no cost to the City. All City labor costs will be charged at a rate of \$___ per hour for shop or field mechanic labor. Service rates will be recalculated yearly and updated accordingly. The Vendor will be notified prior to service rate increases.

8. PENALTIES

In the event of overlapping penalty costs due to costs incurred from two or more individual life cycle cost penalties on a single unit, the Vendor will be billed for no more than the cost of a single penalty. Penalty charges (i.e. daily equipment rental costs) will be recalculated on a yearly basis and updated accordingly. The Vendor will be notified prior to penalty increases.

9. TRAINING

The City, at its option, may send annually, two (2) heavy equipment mechanics or equipment operators to the Vendor's authorized school. This training shall be conducted at the Vendor's place of business or at a location agreeable to both parties for a period of time not to exceed five (5) calendar years following the in-service date. Cost of this training, except for trainee's transportation and per diem expense, shall be included in the purchase price.

10. ARBITRATION

In the event of misunderstanding as to the interpretation of this Total Cost of Operation Specification contract, or a particular section within, an arbitration board will be set up to arbitrate and resolve any misunderstandings and/or to help interpret this contract and its intent as the need may arise. The arbitration board will be constituted of one (1) City representative, one (1) Vendor representative, and one (1) neutral person selected jointly by the two (2) above members as the arbiter. Arbitration shall occur during normal working hours by a arbitration association (ref. American Arbitration Association). Arbitration fees shall be paid by the requesting party.

11. SPECIAL NOTES

The City shall have the right to sell, lease, trade or otherwise dispose of the sweeper to party other than the Vendor prior to either the expiration of five (5) years or 6,000 engine hours. If such action is taken, the Vendor shall not be bound by the provisions of Sections 4-8.

The City will assume responsibility for cost of repairs due to theft, accident, vandalism, acts of nature or fire or extreme heat from an external source. Total repairs under such circumstances will not be included in the computing the Guaranteed Total Cost of Repairs.

The City will provide brooms for the sweeper as well as labor required to replace and adjust. Brooms will not be included in the Guaranteed Total Cost of Repairs and Maintenance provision of this agreement.

The City will maintain the sweeper in accordance with the manufacturer's and/or Vendor's recommendations. The Vendor has the right to inspect the sweeper at any time during normal work days and normal working hours and make recommendations for repairs, improved maintenance, etc. which the City will follow to the best of its ability.

12. BID AWARD

All bids will be evaluated by the following methods:

- a. Purchase Price: Indicate the initial cost to purchase a new current production model vehicle in conformance with the City's Equipment Specification. \$ _____
- b. Parts Availability: Indicate the cost of providing four (4) day parts availability as outlined in Section 4 of this specification. \$ _____
- c. Extended Warranty Costs: Indicate the cost of providing a five (5) year or 6,000 engine hour extended warranty as outlined in Section 5 of this specification. \$ _____
- d. Guaranteed Maximum Cost of Repairs and Maintenance: Indicate the not to exceed amount of total repairs and preventative maintenance for a five (5) year or 6,000 engine hour period as outlined in Section 6 of this specification. \$ _____

The total life cycle cost value for each unit is the running sum of all individual costs. The total life cycle cost award value for each unit is: \$ _____
(Total Unit Price)

The City will evaluate the bid based on the total life cycle cost award value. Each bid must provide a complete life cycle cost package for evaluation. Bids taking exception to one or more of the above individual costs (items a-d) will be disqualified.

CONSUMABLE ITEMS ATTACHMENT

1. All lubricants, fluids, and filters for scheduled maintenance as indicated in the manufacturer's published instructions.
2. Fuel
3. All replaceable light bulbs and lenses.
4. Glass breakage
5. All batteries
6. All replaceable engine "V" belts (fan belt, alternator belt, etc.)
7. Replaceable brake pads and linings.
8. Pneumatic tires and tire repairs.
9. Street shoes and rubber wear strips.
10. Main pickup broom
11. Replaceable gutter broom segments
12. All replaceable squeegees or wiper blades