

Agenda Report

TO: CITY COUNCIL

DATE: June 24, 2002

FROM: CITY MANAGER

SUBJECT: Authorization to Issue a Purchase Order for a Not To Exceed Amount of \$144,515 to purchase One Replacement 2002 Front Loading Refuse Packer.

RECOMMENDATION

It is recommended that the City Council:

- 1) Authorize the Purchasing Administrator to issue a Purchase Order for a not to exceed amount of \$144,515 to Rush Truck Center for the purchase of one replacement 2002 Front Loading Refuse Packer;
- 2) Grant this contract an exemption from Competitive selection process pursuant to P.M.C. 4.09.060(C) contracts for which the City's best interests are served. The proposed purchase is exempt from competitive bidding pursuant to City Charter section 1002(H), contracts with other governmental entities or their contractors for labor, material, supplies or services; and
- 3) Approve a journal voucher transferring \$144,515.00 from Equipment Lease Financing, approved by City Council on May 10, 1999, and appropriating it to Budget Account 406-764120, Residential Solid Waste Operations for the purchase of the packer.

BACKGROUND

The Public Works and Transportation Department is in need of replacing a front-loading refuse packer which was destroyed in a vehicle fire (equipment #0895). Front loading refuse packers are used for the City's commercial bin collection service. These vehicles service over 1,400 customers including commercial businesses, apartments, and single-family homes located on large properties. These vehicles also provide refuse collection for over 125 City facilities and parks. They are crucial to refuse collection for special events such as the Rose Parade and Fourth of July, as well as emergency collection in the event of a rain or windstorm. This collection service picks up approximately 10,000 tons of waste per year.

In September of 2001, the City of Claremont, CA undertook a competitive bidding process for the purchase of six Peterbilt front-loading refuse packers. As a result of the bid process, Claremont awarded a contract to Rush Peterbilt. Rush Peterbilt has offered to extend this 2002 bid price to the City of Pasadena. Purchasing the requested packers from Peterbilt would be in the City's best interest for two reasons. Were the City to undertake its own bid process, the time involved in preparing the necessary bid documents and obtaining the required approvals would most likely result in the City purchasing at 2003 model year prices, as well as incurring associated staff costs. The time necessary to prepare bid specifications, review proposals and award a competitive bid would delay the delivery of new vehicles until the end of the calendar year 2002.

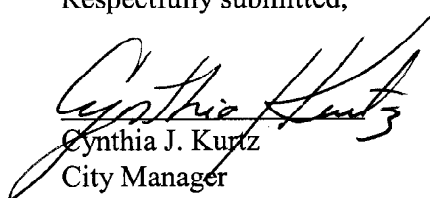
With equipment #0898 no longer available for use, the duty cycles of the vehicle normally used as a backup has been forced into service to maintain service levels. This has increased the cost of maintenance, both for materials and labor hours.

FISCAL IMPACT


The cost of the new equipment is \$144,515. In accordance with the City's insurance policies, the total amount of the purchase must be paid in full and submitted for reimbursement from insurance proceeds. The City policy covering comprehensive loss to a vehicle requires a \$100,000 deductible, leaving \$44,515 to be reimbursed. The total \$144,515 will be paid through lease financing with the reimbursement amount of \$44,515 being transferred to Refuse Fund Reserve which will then be used as part of the annual payback to lease financing.

An annual lease payment of \$519,701, of which \$19,000 is for the new vehicle, is included in the fiscal year 2003 Budget and the Refuse Fund's five year revenue and expenditure projections.

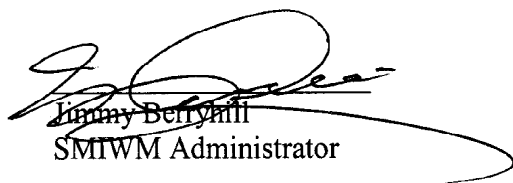
Respectfully submitted,


Cynthia J. Kurtz
City Manager

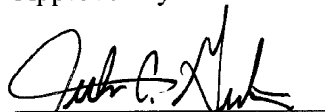
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