

Agenda Report

TO: CITY COUNCIL DATE: OCTOBER 18, 1999

FROM: CITY MANAGER

SUBJECT: Authorization to Issue a Purchase Order for a Not To Exceed Amount of \$1,949,628.00 to purchase Twelve (12) New 1999 Automated Side Loading Refuse Packers.

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 \$1,949,628.00 to PTO Sales for the purchase of twelve (12) new 1999 Automated Side Loading Refuse Packers.
- 2) grant this contract a partial exemption (vendor outreach only) from the Affirmative Action in Contracting Ordinance 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.
- 3) approve a journal voucher appropriating \$1,949,628.00 from General Fund Reserve to Budget Account 406-764120, Residential Solid Waste Operations.

BACKGROUND

The Public Works and Transportation Department is in need of replacing a total of twelve (12) side loading automated refuse packers. These vehicles are used for the City's residential collection service, residential yard waste collection and commercial recycling collection. The City presently serves over 25,500 private and commercial customers.

On May 10, 1999, the City Council approved 2.8 million dollars for the purchase of collection equipment, which included twelve (12) side-loading automated refuse pacers. The new equipment will improve productivity and help reduce vehicle downtime related to maintenance and repairs. An efficient operation is needed to help the City comply with AB939 which mandates a 50% diversion of waste from the landfill by the end of calendar year 2000.

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The constant maintenance necessary to keep the vehicles running routinely requires the city's mechanics to work overtime to meet the increased service levels being required. This workload also reduces the staff available for servicing other vehicles thus creating a constant backlog of vehicles to be serviced. Newer vehicles will allow for more efficient vehicle maintenance.

The City of San Diego currently has a contract in place with PTO Sales for 39 Crane Carrier refuse packers. Being the sole distributor for Southern California, PTO Sales has offered to extend these bid prices to the City of Pasadena. Crane Carrier is the make of cab and chassis the City of Pasadena has used for automated side loading refuse packers over the past 12 years. During this time, the performance of the chassis has proven to be superior to others the City has purchased. There have been no frame, crossmember or suspension failures that were common with other manufacturers that the City had used previously.

Purchasing the requested refuse packers would be in the City's best interests for two reasons. First, if the City were 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 the equipment at year 2000 model year prices. In addition, the bid process would also incur associated staff costs. Secondly, in July 1997, the City awarded a bid to PTO Sales for the same type of packer now being offered, thereby reducing the need for mechanic and driver training as well as maintaining a standardized side loader fleet.


FISCAL IMPACT

The funding for this equipment was approved by the City Council on May 10th, 1999. The Finance Department has been authorized to appropriate funds for the purchase of equipment from lease financing. A report will be going to the City Council on October 25, 1999. In the interim, City Council has approved General Fund advancement until all the financial procedures have been completed.

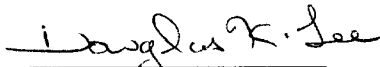
The Refuse Operation will be acquiring \$4.9 million of rolling stock, containers, cubic yard bins, etc. under the lease financing. This equates to an annual payback of \$730,000 from Refuse Revenue collected from the rates. The purchase indicated above, for rolling stock with an eight year life expectancy, will require an annual payback of approximately \$240,000 annually.

Funds should be appropriated to the Refuse Fund Operating Budget, Residential Account 406-764120. A lease payment line item for \$350,000 was included in the current Fiscal Year 2000 Budget for the annual payback of the lease financing. That amount will be adjusted throughout the Fiscal Year as various purchases are completed.

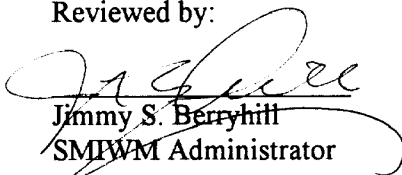
Respectfully submitted,


CYNTHIA J. KURTZ
City Manager

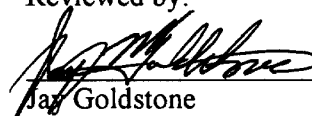
Prepared by:


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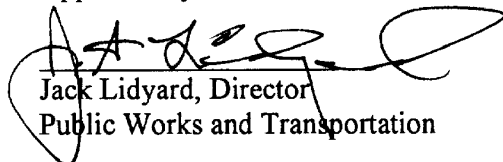
Reviewed by:


Jimmy S. Berryhill
SMIWM Administrator

Reviewed by:


Jay Goldstone
Director of Finance

Approved by:


Jack Lidyard, Director
Public Works and Transportation