

Lompoc City Council Agenda Item



City Council Meeting Date: January 8, 2013

TO: Honorable Mayor and City Council

FROM: Ray Ambler, Purchasing & Materials Manager
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Anthony Garcia, Fleet & Facilities Superintendent
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SUBJECT: Award of a Contract to Purchase One 36-Foot Aerial Service Truck for Approximately \$139,984.89

Recommendation:

Approve the award of a contract to purchase a 36-foot Aerial Service Truck for approximately \$139,984.89 to Altec Industries of Dixon, California, and authorize the Purchasing Manager to issue a purchase order/contract in that amount.

Background:

The City of Lompoc's replacement fleet vehicles are scheduled for replacement based on their estimated expected life. That estimate is made at the time the vehicle is placed into service. In preparation for the City's bi-annual budget for 2011-2013, the existing aerial service truck assigned to the Electric Utility was included to be replaced after its ten year estimated life expectancy. That specialized Electric Utility vehicle is a specially insulated truck with a service body and is the work horse for the Electric Utility's Line Crew. It includes an insulated workspace bucket capable of reaching more than 38 feet in the air. The extension allows it to be used for installing and repairing all heights of electric lines in our distribution system. The vehicle being replaced is a 2001 model year Freightliner FL70 Cab and Chassis, with an Altec Utility OA300 apparatus. The engine is a Cat 3126B, with mileage of 96,570 as of 10/5/12. The vehicle was evaluated upon its 10th anniversary for replacement and it was determined it did not yet need to be replaced simply because it reached its estimated end of life. The replacement date for the vehicle was modified by two years and was reevaluated in the current budget cycle and it was determined the vehicle now needs to be replaced.

The appropriate time to replace a piece of equipment is a decision made jointly by the Finance Department and the Fleet Division, based on several factors such as the expected useful life, current annual operating costs (fuels, lubricants & maintenance), elapsed mileage, elapsed hours, repair history, availability of resources and total City-wide replacement needs during each two year budget cycle.

The estimated replacement cost of this Freightliner FL70 and related components is part of the City-wide replacement vehicle fleet. The proportional value of this vehicle compared with the City-wide fleet is used in the budgeting process to determine the pro-rata portion of costs allocated to the Electric Utility for all replacement vehicles budgeted for replacement in the current budget cycle. Each year, all City departments assigned a vehicle in the replacement fleet are assessed a share of the replacement budget based on their proportionate share of the entire replacement fleet.

The biennial charges for replacement vehicle payments (represented in programs under object code 55130) accumulate in the Fleet Division's vehicle replacement fund during the two-year budget and are sufficient to fund the budgeted funds each cycle. Vehicles that need to be replaced before the end of their estimated life or are replaced by a larger or more complex vehicle than anticipated would require a contribution from the vehicle's home department in the amount of the incremental costs in excess of what had been accumulated to the point of replacement. In other words, vehicles are replaced in a like-kind manner. The annual assignment value for any vehicle in the plan at any point in time is essentially the estimated cost of replacement divided by the number of years in its useful life multiplied by the number of years in service.

Discussion:

The City invited bids directly from vendors known to sell aerial vehicles. In addition, the bid specifications were, advertised in the Lompoc Record, posted on the City Web Site and sent by email announcement to the City Listserv. The City received three bids which are listed in order of value as follows:

<u>Bidder</u>	<u>Location</u>	<u>Bid Amount</u>
Altec Industries	Dixon CA	\$139,984.89
Gibbs Truck Centers	Nipomo, CA	\$144,648.72
Truck Hydraulic Equipment Co.	Fontana, CA	\$150,047.69

The replacement of the vehicle is scheduled beyond the original estimated life by two years and the bid specifications did not include any supplemental items beyond the original specifications of the vehicle being replaced. Because of that, there is no additional amount required by the department to contribute to Fleet to complete this acquisition.

Fiscal Impact:

Funds for this project have been appropriated as part of the 2011-2013 biennial budget in account 73000-75000. The low bid is below the estimated budgeted amount for this vehicle by \$4,851.

Conclusion:

The low bid has been found to be responsive and responsible, meets all specifications and meets the requirements of the solicitation. The bidding process has been conducted by the Purchasing Division according to the purchasing rules and regulations of the City of Lompoc. The low bid has been reviewed by the Fleet and Facilities Superintendent. The Purchasing and Materials Manager and the Fleet and Facilities Superintendent recommend the low bidder be awarded the contract for the purchase of the aerial vehicle. As such, staff recommends the City Council approve the award of a contract for one (1) 36 foot Aerial Lift Truck to Altec Industries, Dixon, California and authorize the issuance of a Purchase Order for the award.

Ray Ambler, Purchasing & Materials Manager

Anthony Garcia, Fleet & Facilities Superintendent

APPROVED FOR SUBMITTAL TO THE CITY ADMINISTRATOR:

Brad Wilkie, Management Services Director

Kevin McCune, Public Works Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Laurel M. Barcelona, City Administrator