



REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

CONSENT
August 21, 2007

**Honorable Mayor and
Members of the City Council**

Title: Contract: Purchase of 18 Dump Trucks

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) Awarding Riverview International Trucks a one-year contract with two one-year renewal options for the purchase of up to eighteen dump trucks in an amount not to exceed \$1,768,653; and 2) authorizing the City Manager or the City Manager's designee to execute a contract with Riverview International Trucks for the purchase of up to eighteen dump trucks, provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).

Contacts: Keith Leech, Fleet Manager, 808-5869; Christopher Stewart, Procurement Services Manager, 808-6202

Presenters: Not Applicable

Department: General Services

Division: Fleet Management

Organization No: 3259

Description/Analysis:

Issue: The Department of General Services, Fleet Management Division, has a need to purchase up to eighteen dump trucks for various City departments. These vehicles will replace older units or augment the City's fleet.

Policy Considerations: The recommendations in this report are in accordance with the provisions of City Code Section 3.56.

Committee/Commission Action: Not Applicable

Environmental Considerations: The Environmental Services Manager has determined that the action of purchasing vehicles does not have the potential for causing a significant effect on the environment and is therefore exempt under California Environmental Quality Act (CEQA) Guidelines, Categorical Exemption Section 15061(b)(3).

This purchase is consistent with the City's revised Low Emission Vehicle Acquisition Policy (Resolution No. 2004-613) and Fleet Fuel Strategies (Resolution No. 2005-454). These 2008 model year vehicles will be California Air Resources Board and United States Environmental Protection Agency certified. Model Year 2008 heavy duty engines feature 96% reduction of particulate matter and 90% reduction of nitrogen oxides when compared to the dump trucks they replace.

The Invitation for Bid requested vendors to provide a quote for alternative fuel (liquid natural gas) powered engines, but no such quotes were received.

Rationale for Recommendation: In support of various City departments, the Department of General Services, Fleet Management Division has an immediate need to purchase nine dump trucks scheduled for replacement. In an effort to expedite future purchases for this type of truck, the recommended contract allows for the purchase of additional dump trucks over the next three years should the need arise.

In June 2007, Procurement Services issued Invitation for Bid No. B071181091, which was developed and administered in accordance with City Code Section 3.56 for the purchase of new dump trucks. A total of four bids were received. One bidder, Bonander Trucks, was found to be non-responsive due to exceptions taken to the dump body specification. Riverview International Trucks was determined to be the lowest responsive and responsible bidder.

Financial Considerations: This report recommends awarding a multi-year contract for the purchase of up to eighteen dump trucks in a total amount not to exceed \$1,768,653. The initial purchase in the first year of this contract (FY2007/08) will be for nine dump trucks in an amount not to exceed \$841,222. Sufficient funds for the initial purchase are available in the Department of General Services, Fleet Management FY2007/08 operating budget, as well as the FY2007/08 operating budgets of the Departments of Utilities, Transportation, and Parks and Recreation.

Additional purchases for the remaining quantities will be at the current bid price plus a maximum 5% annual cost escalation, and will be subject to appropriations in the FY2008/09 and FY2009/10 annual budgets for these types of vehicles.

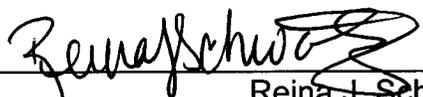
The contract not-to-exceed amount of \$1,768,653 includes the annual escalation factor and is calculated under the assumption that additional purchases, if any, will not be made until the third year (FY2009/10) of the contract, as illustrated in the following table.

Fiscal Year	No of Trucks	Not-to-Exceed Amount
FY2007/2008	9	\$ 841,222
FY2008/2009	0	0
FY2009/2010	9	927,431
3-Year Total	18	\$1,768,653

Emerging Small Business Development (ESBD): Riverview International Trucks is not certified as an emerging/small business enterprise. Through the third quarter of FY2006/07 the Department of General Services has achieved an ESBD percentage of 65%.

Respectfully submitted by: 
 Christopher Stewart
 Procurement Services Manager

Respectfully submitted by: 
 Keith Leech
 Fleet Manager

Approved by: 
 Reina J. Schwartz
 Director, Department of General Services

Recommendation Approved:

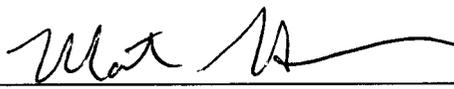

 Ray Kerridge
 City Manager

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Attachment 1

BID NO. B071181091 – 3 AXLE DUMP TRUCKS
Bid Due Date: June 13, 2007

Three Axle Dump Trucks Schedule

Bidder	3 Axle Dump Trucks (Incl. Sales and Tire Tax)	5% E/SBE Preference	Prompt Payment Discount	1% City Tax Preference	Evaluation Total 9-unit
Riverview International	\$841,221.68	None	<\$4,500.00>	None	\$836,721.68
Sacramento Truck Center	\$855,312.14	None	None	<\$7,936.47>	\$847,375.67
Western Truck Center	\$881,514.79	None	<\$900.00>	<\$8,179.65>	\$872,435.14
Bonander Trucks (2)	\$840,203.44	None	<\$4,500.00>	None	\$835,703.44

Total Amount of Contract: \$1,768,652.43 ⁽¹⁾

Award of Contract to: Riverview International Trucks
 2445 Evergreen Ave.
 West Sacramento, CA 95691

Original Estimated Cost: \$810,000

Using Department: Utilities, Transportation, Parks and Recreation

Total No. of Bids Solicited	No. of E/SBE Bids Solicited	No. of E/SBE Responses	Award to E/SBE Vendor
16	0	0	No

(1) The lowest responsive and responsible bid total of \$841,221.68 represents the total for the estimated quantities selected for evaluation purposes only. Authorization is requested to enter into a contract in an amount not to exceed \$1,768,653. The initial purchase under this contract will be in the first year for nine trucks in an amount not to exceed \$841,222. The total contract amount reflects the actual amount anticipated to be expended during this three year contract assuming that nine trucks are purchased in the third year of this contract with escalation provisions.

(2) Bonander Trucks was found to be non-responsive due to exceptions taken to the dump body specification.

RESOLUTION NO. 2007-XXXX

Adopted by the Sacramento City Council

August 21, 2007

AWARD CONTRACT FOR THE PURCHASE OF UP TO EIGHTEEN DUMP TRUCKS

BACKGROUND

- A. The Department of General Services has a current requirement for the purchase of nine dump trucks. This bid was structured to allow for an additional nine purchases at the current bid price plus a maximum 5% annual cost escalation within the next three years if other City departments have a need to replace or buy additional dump trucks.
- B. In June 2007, the City issued Invitation for Bid No. B071181091 for the purchase of new dump trucks. A total of four bidders responded. Riverview International Trucks was determined to be the lowest responsive and responsible bidder.
- C. The City Council has adopted a policy of fuel strategies to improve air quality (Resolution 2005-454) and revised Low Emission Vehicle Acquisition Policy (Resolution No. 2004-613). This purchase is consistent with these Council adopted policies.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. Riverview International Trucks is awarded a one-year contract with two one-year renewal options for the purchase of up to eighteen dump trucks in an amount not to exceed \$1,768,653.
- Section 2. The contract with Riverview International Trucks provides for an initial term of one year, with two one-year renewal options, up to a total contract term of three years (including the initial term and all extensions). The City Manager or the City Manager's designee may authorize such extension(s) for the not to exceed amount specified above, provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).