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CITY OF SACRAMENTO

DEPARTMENT OF GENERAL SERVICES

OFFICE OF THE DIRECTOR

March 6, 1987

FACILITY MAINTENANCE DIVISION
FLEET MANAGEMENT DIVISION
RISK MANAGEMENT & INS. DIVISION
SUPPORT SERVICES DIVISION

Budget and Finance Committee
Sacramento, California

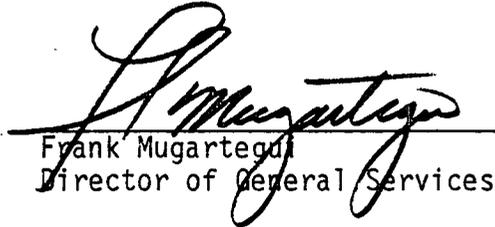
Honorable Members in Session:

SUBJECT: FLEET MANAGEMENT NEW VEHICLE BUDGET INCREASE

The attached report is being submitted to the Committee for review and consideration.

It is requested that the Committee recommend approval of the attached resolution to the City Council.

Respectfully submitted,


Frank Mugartegui
Director of General Services

RECOMMENDATION APPROVED:


Jack Crist
Deputy City Manager

March 24, 1987
All Districts

Attachments

FM:87036:RM/ml



DEPARTMENT OF
GENERAL SERVICES

CITY OF SACRAMENTO
CALIFORNIA

5730 24TH STREET
BUILDING FOUR
SACRAMENTO, CA
95822-3699

916-449-5548

OFFICE OF THE DIRECTOR

March 6, 1987

City Council
Sacramento, California

DIVISIONS:

COMMUNICATIONS
FACILITY MANAGEMENT
FLEET MANAGEMENT
RISK MANAGEMENT
AND INSURANCE
SUPPORT SERVICES

Honorable Members in Session:

SUBJECT: FLEET MANAGEMENT NEW VEHICLE BUDGET INCREASE

SUMMARY:

The Solid Waste/Fleet Management Divisions are requesting authorization to purchase a Dresser 25G Crawler Tractor from the CIF Manufacturing Corporation at a cost of \$233,200. This purchase is necessary as the current equipment inventory at the Landfill is insufficient to meet present and future usage demands. This report was presented to Budget and Finance Committee on March 24, 1987.

BACKGROUND:

Fleet Management and Solid Waste personnel have met several times to discuss the equipment inventory associated with the Landfill operation. Both divisions concur that the two crawler tractors presently assigned to the Landfill are insufficient to handle the current disposal activities and the additional closure requirements placed on the site. The two available crawler tractors are being operated almost continuously. This increased demand makes the possibility of an equipment failure highly feasible, especially for the D-8 crawler tractor which is over 20 years old. If a breakdown occurs, there is no spare machine available at the site.

The Solid Waste Division asked Fleet Management to investigate the options available to acquire an additional crawler tractor for the Landfill. (See Exhibit I.) During this process, Fleet Management and Solid Waste investigated several makes and models of crawler tractors. Existing users were contacted to determine reliability, productivity, operational problems and product support from the servicing dealers. It was determined that Caterpillar's D8L, Dresser's TD25G, and Komatsu's D155 were proven crawler tractors for Landfill operations. Bids were received by Sacramento County (see Exhibit II) for all three machines, with CIF Machinery offering the lowest bid for a Dresser TD25G. After the Sacramento County bid, Caterpillar offered an alternate proposal to the City for a newly introduced Landfill machine, the D8N. This alternate proposal was approximately \$24,800 less than the County bid, but the machine is smaller and has less horsepower and weight. After demonstrating the machine, it was determined by Solid Waste and Fleet Management that due to its smaller size, weight and horsepower, we were not comparing equal machines. Because the D8N

had not been offered to the County, City bids and specifications would have to be prepared to allow other manufacturers to offer their comparable machines. Due to the critical need for the additional machine and the proven track record of all machines bid at the County, it is recommended that the City purchase a Dresser 25G Crawler Tractor from CIF Manufacturing Corporation at a cost of \$233,200. By taking advantage of this recent County bid, under our cooperative purchasing agreement, the City can be assured of a low purchase price, a more timely procurement process and delivery date.

FINANCIAL DATA:

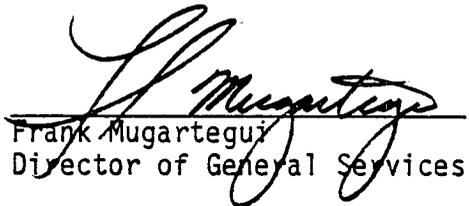
The total cost of the Dresser 25G Crawler Tractor as purchased from CIF Manufacturing Corporation is \$233,200. A lease/purchase was compared with outright purchasing of the new machine. Sufficient funds are available in the Fleet Management Contingency Fund for outright purchase and over \$24,500 in lease payment interest would be saved. The Solid Waste Division will reimburse the Fund through the monthly rental rates assigned to this equipment.

RECOMMENDATION:

It is therefore recommended that the City Council by passage of the attached resolution, authorize:

1. Purchase of one (1) Dresser 25G Crawler Tractor for the Solid Waste Division through the cooperative purchasing agreement with the County of Sacramento.
2. Amend the Fleet Management FY 1986-87 Operating Budget by appropriating \$233,200 from the Fleet Management Contingency Fund.

Respectfully submitted,


Frank Mugartegui
Director of General Services

RECOMMENDATION APPROVED:

Walter J. Slipe
City Manager

March 31, 1987
All Districts

Attachments

FM:87037:RM/ml

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

March 17, 1987

RESOLUTION AMENDING THE FY 1986-87 FLEET MANAGEMENT
BUDGET AND AWARD OF ONE (1) CRAWLER TRACTOR.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO, TWO-THIRDS (2/3) OF
ALL MEMBERS VOTING IN FAVOR THEREOF:

That it is hereby determined to be in the best interests of the City
to transfer appropriations from the Fleet Management Contingency Reserve:

4-20-7012-0000-4399	\$233,200
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to the Fleet Management New Vehicle Fund:

4-20-1949-0000-4632	\$233,200
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for the purchase of one (1) Dresser 25G Crawler Tractor through the Cooperative
Purchasing Agreement with the County of Sacramento.

MAYOR

ATTEST:

CITY CLERK



RECEIVED
DEC 5 1986

EQUIPMENT MAINTENANCE
DIVISION

DEPARTMENT OF
PUBLIC WORKS

SOLID WASTE DIVISION

CITY OF SACRAMENTO
CALIFORNIA

1231 I STREET
SUITE 103
SACRAMENTO, CA
95814-2933

916-449-5757

JOHN F. BOSS
SOLID WASTE
DIVISION MANAGER

December 4, 1986

MEMORANDUM

TO: Gene Moore, Fleet Management Superintendent

FROM: John F. Boss, Solid Waste Division Manager

SUBJECT: REQUEST FOR ONE ADDITIONAL CRAWLER TRACTOR AT THE
28TH & "A" STREET SANITARY LANDFILL

At several meetings attended by Solid Waste Division personnel and you, the current usage of the landfill equipment has been discussed. During these discussions it has become apparent that the two crawler tractors currently assigned to the landfill are inadequate to handle the disposal and closure activities at the landfill and still maintain backup. This memorandum is to officially request the Fleet Management Division to investigate options for the Solid Waste Division to receive one additional crawler tractor for use at the City's landfill.

The current equipment inventory is insufficient to meet the usage demand required to operate and close the site during the next four years due to increases in refuse tonnage and additional closure requirements placed on the site. The Solid Waste Division estimates that a total of 3,400 hours per year crawler tractor effort is necessary for all of the activities at the landfill. Given the current compliment of two crawler tractors this would require 1,200 hours per year for the Caterpillar D-8 and 2,200 hours per year for the 155A. The D-8 is an old piece of machinery and likely would not economically withstand the additional 4,800 hours over the next four years because major repair work would be required. The 155A would also require major repair if the current level of usage continues. By the end of 1990 the 155A will have accumulated 14,800 hours given the current usage rate, which may be beyond the economical life of the machine. The Division needs to operate both pieces of equipment fairly continuously, leaving no spare machine onsite in case of equipment breakdown.

1-7-87

Jm

December 4, 1986

Page 2

The procurement of a third crawler tractor would allow the Division to utilize the D-8 as a backup piece of equipment. The usage of the 155A and the new crawler tractor would be split to meet the projected demand. This would allow the reduction of about 2,000 hours of use for the 155A and allow this piece of equipment to reach landfill closure with about 12,800 hours of use. The new piece of equipment would incur approximately 6,800 hours of use at time of landfill closure.

The Solid Waste Division, is therefore at this time requesting that Fleet Management Division initiate the process for procuring the additional crawler tractor. I would like to discuss financial arrangements with you in the near future, knowing that a number of options are available. Since the landfill is anticipated to close within four years, a lease-purchase arrangement or similar procurement method would be preferred. Considering the condition of the existing two pieces of equipment, and the need for the new piece of equipment, the Division would like to have the new crawler tractor ready for use by April 1987. Please contact me at 449-2043 to discuss additional aspects of this request.



John F. Boss
Solid Waste Division Manager

JFB/myw (86124)

cc: Melvin H. Johnson, Director, Public Works
Reginald Young, Deputy Director, Public Works
Chris E. Choate, Chief, Solid Waste Disposal

SACRAMENTO COUNTY BID NO. 1045

1 EACH CRAWLER TRACTOR

	<u>TENCO TRACTOR</u>	<u>CIF EQUIPMENT</u>	<u>MORGAN EQUIPMENT</u>
Exceptions	None	None	Yes
Model	D8L-(335 H.P.)	TD25G (325 H.P.)	D155A-1 (320 H.P.)
Purchase price including tax	\$255,255	\$233,200	\$253,760
Guaranteed Maintenance Cost not to exceed over 36 months	+\$114,600	+\$24,792	No bid
Guaranteed buy back after 3 years	<u>(\$90,234)</u>	<u>(\$70,000)</u>	No bid
	\$279,621	* <u>\$187,992</u>	Not acceptable

*Bid awarded to CIF based on lowest purchase price and 3 year life cycle cost.

ALTERNATE CATERPILLAR QUOTATION TO CITY:

Model	D8N-(285 H.P.)
Purchase price including tax	\$203,199
Guaranteed Maintenance Cost not to exceed over 36 months	+\$50,000
Guaranteed buy back after 3 years	<u>(\$90,000)</u>
	**\$163,199

**Smaller unit than bid to City