



CITY OF SACRAMENTO

DIVISION OF WASTE REMOVAL

927 TENTH STREET
SUITE 200

SACRAMENTO, CALIF. 95814
TELEPHONE (916) 449-5757

REGINALD YOUNG
SUPERINTENDENT
PAUL SMILANICH
ASSISTANT SUPERINTENDENT

April 1, 1981

CITY COUNCIL
SACRAMENTO, CALIFORNIA

APPROVED
BY THE CITY COUNCIL

APR 7 1981

Honorable Members in Session:

OFFICE OF THE
CITY CLERK

SUBJECT: Special Waste Collection Project Resolution.

SUMMARY

This report informs the City Council that there were two errors in the "Special Waste Collection Project-Automated Lift 90 Gallon Container Pilot Program" report submitted to the Council on March 24, 1981. The attached resolution corrects these errors.

BACKGROUND INFORMATION

On March 24, 1981 the Waste Removal Division submitted a report to the Budget and Finance Committee and the City Council requesting permission to implement a special waste collection program. The report submitted contained two errors. The attached revised report to the Budget explains the errors and the need for correcting them.

FINANCIAL DATA

Financial Data for this project is explained in attached Enclosure I report to Budget and Finance.

RECOMMENDATION

It is recommended that the City Council approve the Resolution attached hereto as a part of Enclosure (1).

Respectfully submitted,

Reginald Young
Reginald Young

RECOMMENDATION APPROVED:

Walter J. Slupe
Walter J. Slupe
City Manager

ALL DISTRICTS
April 7, 1981

Enclosure I Report to Budget and Finance Committee

CENTRAL INTELLIGENCE AGENCY



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NOFORN

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ASSISTANT SUPERINTENDENT

March 31, 1981

Budget and Finance Committee
Sacramento, CA

Honorable Members in Session

SUBJECT: Special Waste Collection Project Lease Resolution

SUMMARY

This report informs the Budget and Finance Committee that there were two errors in the "Special Waste Collection Project - Automated Lift 90 Gallon Container Pilot Program" report submitted to the committee on March 24, 1981. The previous report and its resolution informed the committee that the total Heil Co. five year bid was \$397,386. The actual total bid is \$401,340 or \$6,689 per month. The previous report and its resolution informed the committee that the City Manager should be authorized to execute a contract with the Heil Company. The contract shall be executed with the IFG Leasing Company.

BACKGROUND INFORMATION

On March 24, 1981 the Waste Removal Division submitted a report to the Budget and Finance Committee and City Council requesting permission to implement a special waste collection program.

The above report informed the committee that the contract should be with the Heil Company for \$6,623 per month and \$397,386 over five years.

The facts are the report and its resolution should have indicated that the contract should be with IFG Leasing Company who will purchase the equipment (trucks and containers) from the Sacramento City based Heil Company and then lease this equipment to the City of Sacramento at a monthly lease fee of \$6,689.

The IFG Leasing/Heil bid award difference is related to a 1% local sales tax preference allowed local firms that bid on products for the city. Thus with the overall difference between the Wayne Engineering and Heil bids being only \$2,940, Heil/IFG is awarded the bid because of a \$4,013 local product reduction for Heil.

FINANCIAL DATA

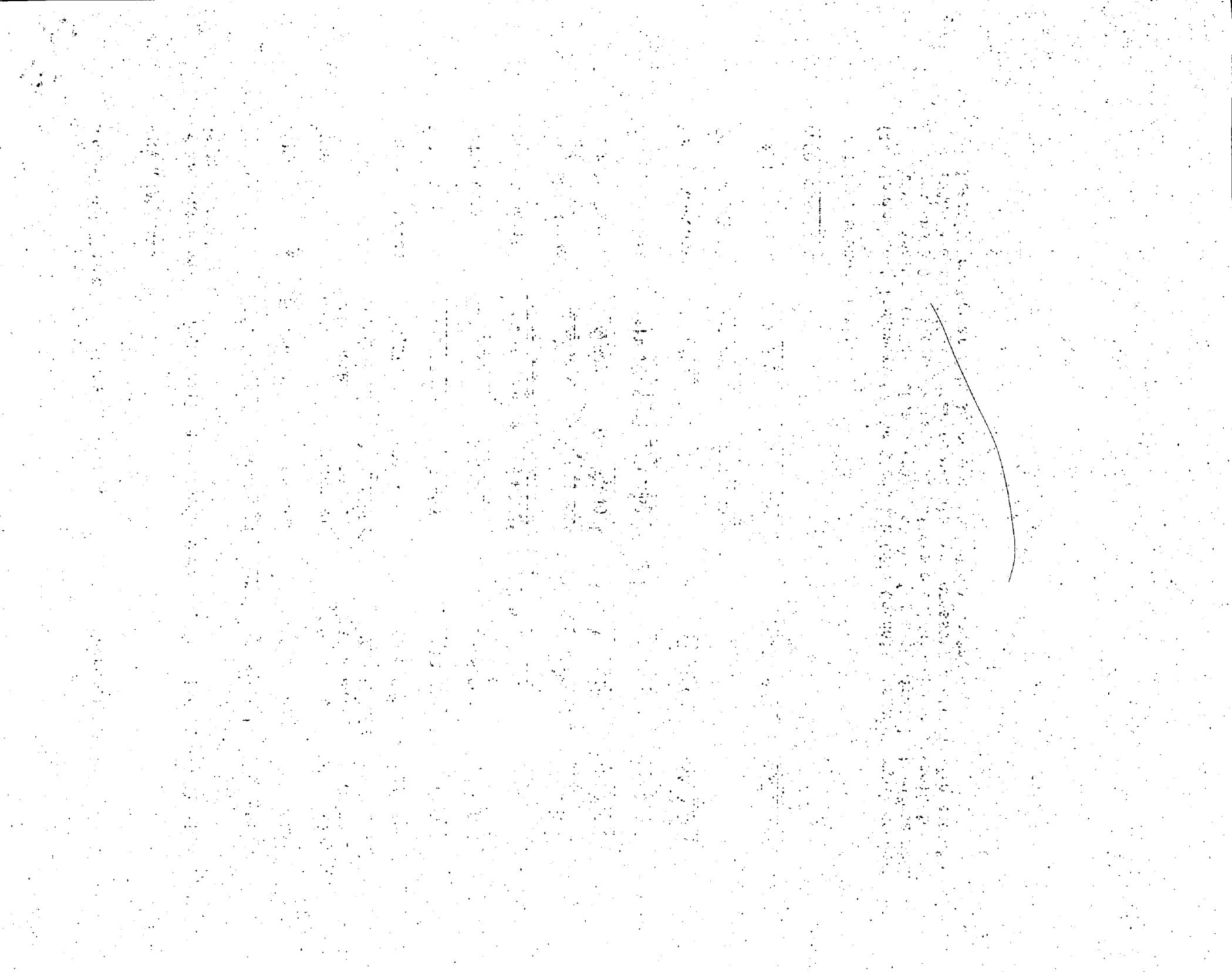
As indicated below, when the 1% local differential is applied, the Heil bid is the lowest.

<u>Proposal</u>	<u>Heil Company</u>	<u>Wayne Engineering</u>	<u>Rapid Rail System</u>	
			<u>Proposal 1</u>	<u>Proposal 2</u>
Term	60 months	60 months	60 months	60 months
Type	Option to terminate or purchase	Option to terminate or purchase	Option to terminate or purchase	No option to terminate or purchase
Purchase Price	\$285,613	\$291,000	\$325,500	\$325,500
Sales Tax	17,137	17,460	19,500	19,500
Total Cost	<u>\$302,750</u>	<u>\$308,460</u>	<u>\$345,000</u>	<u>\$345,000</u>
Lease Deposit	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Residual Value	<u>-0-</u>	<u>\$ 1</u>	<u>-0-</u>	<u>-0-</u>
Monthly Payment	<u>\$ 6,689</u>	<u>\$ 6,640</u>	<u>\$ 9,143</u>	<u>\$ 7,676</u>
Financing Cost	<u>11.7%</u>	<u>10.96%</u>	<u>20.4%</u>	<u>12.1%</u>
Total Payments	<u>\$401,340</u>	<u>\$398,400</u>	<u>\$550,980</u>	<u>\$460,560</u>
After Local 1%	<u>\$397,227</u>	<u>\$398,400</u>		
Total Interest	<u>\$ 98,590</u>	<u>\$ 89,940</u>	<u>\$205,980</u>	<u>\$115,560</u>

RECOMMENDATION

It is recommended that:

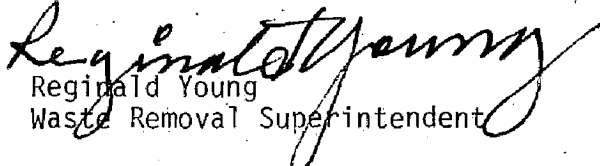
- (1) In the best interests of the City, the City Council suspend formal competitive bidding for the lease-purchase of two (2) mechanical lift refuse packers and 2500 waste containers (90 gallons each) and approve resolution to authorize the City Manager to execute the necessary contract with the IFG Leasing Company at a lease rate of \$6,689 per month.



March 31, 1981


(2) Approve the payment of the lease purchase fee from the Waste Removal Budget.

Respectfully submitted,


Reginald Young
Waste Removal Superintendent

Recommendation Approved:

All Districts
April 7, 1981


Jack Crist
Director of Finance

Attachment I Resolution Suspending Formal Competitive Bidding
for the Lease/Purchase of Two Refuse Packers and
2500 Waste Storage Containers

