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DEPARTMENT OF
FINANCE

PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

October 24, 1995
PS:Admin:95071:RBH:SA:rh

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BUILDING FOUR
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95822-3699

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City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: REJECT RESPONSES TO BID NO. 1678 FOR TWO NEW AERIAL PLATFORM TRUCKS WITH CHIPPER BODIES, SUSPEND FORMAL COMPETITIVE BIDDING, AND AUTHORIZE PURCHASE OF TWO DEMONSTRATOR UNITS FOR THE TOTAL AMOUNT OF \$155,160.00.

STAFF RECOMMENDATION

Staff recommends that the City Council reject the responses to Bid No. 1678 for two new Aerial Platform Trucks with Chipper Bodies, suspend formal competitive bidding, and authorize the purchase of two demonstrator units from Altec Industries, for the total amount of \$155,160.00.

CONTACT PERSONS: Robert B. Holbrook, Procurement Services Manager, 433-6202
Robert Summersett, Fleet Management Superintendent, 433-6230

FOR COUNCIL MEETING OF: October 24, 1995

SUMMARY

Attached is a tabulation of sealed proposals for Bid No. 1678, received by the City Clerk, for furnishing two new Aerial Platform Trucks with Chipper Bodies in accordance with the specifications used in the bidding process. Staff recommends that the City Council reject the responses to Bid No. 1678, suspend formal competitive bidding, and accept an alternate proposal for two demonstrator aerial platform trucks with chipper bodies. These units are to be purchased by the Fleet and Facility Management of Public Works for use by the Tree Services Division.

BACKGROUND

On August 16, 1995, the City Clerk received sealed bids for two (2) aerial platform trucks with chipper bodies for use by the Tree Services Division. Specifications were developed by the Fleet and Facility



Management Division in conjunction with the Tree Services Division, and described new, unused equipment. The specifications did not allow for alternative proposals offering used or demonstrator units. Nonetheless, Altec Industries, Inc. submitted along with their proposal for new equipment, an alternate proposal for two demonstrator Altec units at a cost of \$72,000.00 each (plus sales tax). The lowest bid for new units, submitted by Riverview International, carries a cost of \$80,156.89 plus tax (lowest bid when their \$1,000.00 per unit prompt payment discount is considered). The demonstrator units could be delivered to the City within thirty (30) days, as compared with an estimated delivery time of 7 to 8 months for the new units.

Upon review of the proposals, staff from the Tree Services Division expressed objections to the purchase of the lowest-cost new unit, a Teco aerial unit offered by Riverview International. Tree Services currently has a Teco unit in service, with which they have experienced problems that have raised concerns regarding operator safety. The attached memorandum (Attachment #2) from the Tree Services Superintendent details Tree Services' reservations relative to the Teco units. On the other hand, Tree Services' equipment operators have developed a high level of confidence in the Altec unit, and feel they are more productive with this equipment. For these reasons, combined with the financial savings that can be achieved by purchasing the demonstrator units, Tree Services has requested acceptance of the alternate proposal for demonstrator units.

Because the bid specifications did not include provisions for alternate bids on demonstrator or used equipment, Fleet Management queried each of the vendors who submitted bids to determine if other low-hour demonstrator units were available. Only Teco had such units available, and their cost per unit is \$74,139.00, or \$2,139.00 per unit higher than those proposed by Altec Industries, Inc.

Based on the monetary savings and quicker delivery that can be realized by purchasing the Altec demonstrator units, as well as the operator confidence and safety concerns in the Tree Services Division, both the Fleet and Facility Management and Tree Services Divisions have requested that the Council reject all proposals for new equipment received under Bid No. 1678, suspend formal competitive bidding, and authorize the purchase of two demonstrator units from Altec Industries in a total amount of \$155,160.00. This recommendation conforms with the Council's direction to work across the organization and to enhance employee involvement in the overall decision-making and work processes. The attached memoranda from the Fleet Management Superintendent (Attachment #3) and Tree Services Superintendent summarize their analyses and recommendations.

FINANCIAL CONSIDERATIONS

Sufficient funds are available in the Fleet Management Division's FY 95/96 budget for new and replacement equipment and vehicles. By purchasing the two lowest-cost demonstrator units in lieu of the two lowest-cost new units, the City will save approximately \$17,500 (including sales tax).

ENVIRONMENTAL CONSIDERATIONS

Ongoing administrative and maintenance activities, such as purchases of supplies, equipment or materials which are not made for purposes of a public works construction project, do not constitute a "project" and

are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Sections 15061(b)(1), 15378(b)(3).

POLICY CONSIDERATIONS

This recommendation is consistent with the requirements of Sections 57.03.305 and 57.04.401(b)(c) of Title 57 of the Sacramento City Code, which authorize the Council to reject any and all bids and, upon a two-thirds vote, to suspend formal competitive bidding. The recommendation also conforms to the Council's direction for staff to work across the organization and to increase employee involvement in the process of delivering City services in the most efficient and effective manner possible.

MBE/WBE EFFORTS

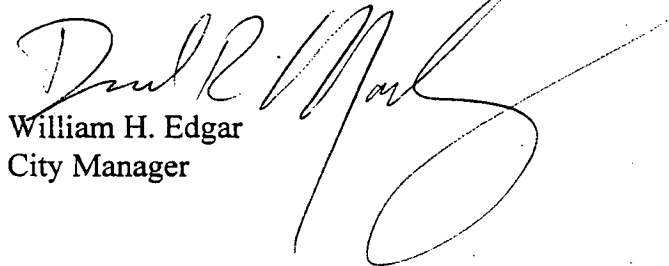
Requests for bid (RFB) were sent to 19 vendors, of which 5 were identified as M/WBE firms. Of the responses received, none was from a Minority or Woman-Owned Business Enterprise.

Respectfully submitted,



Robert B. Holbrook
Procurement Services Manager

RECOMMENDATION APPROVED:



for
William H. Edgar
City Manager

3 Attachments

**BID TABULATION SHEET FOR
BID NO. 1678 -AERIAL PLATFORM TRUCKS WITH CHIPPER BODIES**

<u>Bidders</u>	<u>Unit Cost-New With Options⁽¹⁾</u>	<u>Unit Cost Demonstrators⁽¹⁾</u>	<u>M/WBE Preference</u>	<u>Prompt Payment Discount</u>	<u>City Tax Preference</u>
Altec Industries, Inc.	\$81,405.00	<u>\$72,000.00</u>	None	None	None
Truck Hydraulic Equipment Co.	\$88,590.00	None Available	None	None	None
S & C Ford	\$81,298.00	None Available	None	None	None
Riverview International	\$80,156.89	None Available	None	\$1,000 ea-20 days	None
Pacific Utility Equipment Co.	\$80,070.00	None Available	None	Not Acceptable	None
TECO Inc.	No Bid ⁽²⁾	\$74,139.00	None	None	None

⁽¹⁾ Unit prices shown do not include Sales Tax

⁽²⁾ TECO Inc. is the aerial unit manufacturer. Their aerial units were originally bid by both S & C Ford and Riverview International, mounted on different truck chassis. Only upon contact by staff from Fleet Management did TECO provide a quotation for demonstrator units.

Total Award of Contract To: Altec Industries, Inc.
 325 Industrial Way
 Dixon, CA 95620

Original Estimated Cost: \$200,000.00

Using Department: Fleet & Facility Management
 for the Tree Services Division

Total Bid Amount: \$155,160.00 (Incl. Sales Tax)

Due Date: August 16, 1995

Total Amount of Contract: \$155,160.00 (Incl. Sales Tax)

Total No. of Bids Solicited	No. of M/WBE Bids Solicited	No. of M/WBE Responses	Award to M/WBE Vendor?
19	5	0	No

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RECEIVED
OCT 06 1995
Fleet Management DirectorNEIGHBORHOOD SERVICES
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95814-2977PH 916-264-5200
FAX 916-264-7643**MEMORANDUM**

To: Robert Summerset, Fleet Manager
From: Martin Fitch, Tree Services *MF*
Subject: Aerial Tower Tree Service Truck Purchase
Date: October 6, 1995

Tree Service staff and management are appreciative of the efforts of you and your staff as well as the efforts of Procurement Services to obtain the best equipment possible. In support of this effort we recommend purchase of the two Altec demo units offered in the City's most recent purchase efforts. We believe these demo units offer best value to the City for the following reasons.

Tree Services staff lacks confidence in the Teco brand aerial towers due to a recent incident with a new Teco unit in service for less than 12 months at the time of incident. Our operator while in the bucket operating over 20 feet up found himself being rammed by the unit into the tree, the bucket moving on its own and completely unresponsive to the operators efforts at the controls. Repairs to the bucket were required and fortunately the operator was not injured, however the operator could have been seriously injured if thrown from the bucket or swung into live electric wires by this out of control equipment. Our staff has never reported a similar aerial tower equipment failure in any other brand in our service. Our operators need to have full confidence in the safety of the equipment they use.

Purchase price for the demo Altec units is \$2,000 less per unit than the closest offering for other brands offering demo units. This demo unit offering is \$13,000 less per unit compared to the lowest offering for comparable new units. We also believe the City will realize savings through purchase of these demo units as they are equipped with heavier engines and transmissions than any of the other units offered i.e. 190 H.P. versus 175 H.P. matched with correspondingly heavier transmission for the demo units. We anticipate that the engines will provide longer service.

Robert Summerset, Fleet Manager


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Delivery time is an additional concern as the units scheduled for replacement are both using large amounts of oil. Vehicle 5843 in particular uses 3 and 4 quarts of oil daily and puts out objectionable large quantities of black exhaust. Delivery time for new units is quoted at 210-240 days, Altec demo units at 30-60 days. The units in service will likely need costly repair soon if not replaced in the next 30-60 days.

Thank you for your consideration and assistance in the acquisition of our Tree Services equipment.

APPROVED:



Michael Hanamura, Area 1 Manager



DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

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


FLEET AND FACILITY MANAGEMENT DIVISION

PH 916-433-6230
FAX 916-399-9263

MEMORANDUM

October 9, 1995

To: Robert Holbrook, Procurement Services Manager

From: Robert Summersett, Fleet Management Superintendent 

Subject: Bid No. 1678, Aerial Tree Trimming Trucks

The Neighborhood Services Department and the Fleet and Facility Management Division recommend that all bids of Bid No. 1678 be rejected and an alternate proposal submitted by Altec Industries be accepted.

Fleet and Facility Management in conjunction with Tree Services Division personnel developed specifications for two (2) new replacement aerial tree trimming trucks. Bids were received and reviewed by representatives of both divisions. An unsolicited alternate bid offering two (2) low use demonstrator trucks was also reviewed. The using Tree Services Division operators recommend acceptance of the alternate units offered at \$77,580 each including sales tax, for the reasons indicated in the attached memo from Martin Fitch, parks superintendent (Tree Services) and approved by Mike Hanamura, Area 1 manager.

Prior to consideration of the alternate proposal, Fleet and Facility Management staff contacted each of the vendors who submitted bids for Bid No. 1678 to determine if other low use demonstrator units were available. Only Teco had units available and the cost per unit was \$79,885 each including sales tax.

In consideration of City Council's priority for "Fiscal Viability and Reinventing City Government" and the City Manager's "Quality Vision Statement" including improving customer service, employee involvement, teamwork and working across the organization, and being results oriented, managers in Fleet and Tree Services are listening and responding to the ideas of those employees actually performing the work and using the tools that we provide. By supporting their recommendation we may be able to improve productivity and the quality of work produced. The users in this case are required to use equipment that elevates them over 50 feet above the ground, in and around tree limbs, high tension electrical wires, doing so, in many cases, during periods of inclement weather.

City equipment operators have a high level of confidence in the Altec product, developed over time from their experience with City Equipment No. 6180 purchased in 1988, and feel they are more productive with Altec units. Additionally, the City will be able to save approximately \$7,800 each and receive quick delivery reducing the expenditures necessary to continue operation of the existing units compared to the lowest priced unit offered in Bid No. 1678.

Please let me know if you have any questions regarding this recommendation.

cc: Steve Alstrom, Buyer II
Martin Fitch, Parks Superintendent
Anthony Garcia, Fleet Management Technician
R. E. "Gene" Moore, Fleet and Facility Manager

FM95224RS/rs

