

APPROVED
BY THE CITY COUNCIL

JAN 13 1998

OFFICE OF THE
CITY CLERK



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DEPARTMENT OF
FINANCE

PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

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December 28, 1997
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City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: SUSPENSION OF FORMAL COMPETITIVE BIDDING FOR THE PURCHASE OF A TORO TUB GRINDER FOR PROCESSING YARD WASTE IN THE AMOUNT OF \$183,113.75

LOCATION AND COUNCIL DISTRICT: City-wide; all districts

RECOMMENDATION:

Staff recommends that City Council adopt the attached Resolution which authorizes the suspension of formal competitive bidding for the purchase of a Toro ProGrind 4000 tub grinder for processing yard waste, and authorizes the City Manager to issue the necessary purchase order to Pacific Utility Equipment Company in the amount of \$183,113.75.

CONTACT PERSONS: Gary Van Dorst, Solid Waste Planning Superintendent, 264-7561
Steve Alstrom, Senior Buyer, 433-6343

FOR COUNCIL MEETING OF: January 13, 1998

SUMMARY:

This report recommends that the City Council authorize the suspension of formal competitive bidding for the purchase of a tub grinder for use by the Solid Waste Division in processing yard waste.

BACKGROUND:

The purchase of a new tub grinder is justified by the following:

- The City's Solid Waste Division currently processes yard waste into compost for sale to the public. The existing tub grinder used to shred material at the beginning of the process is obsolete.

- The current tub grinder's production capacity is limited in comparison with newer models. The purchase of a newer model will allow the City to quadruple its production at significant savings to the program. It is estimated that the purchase of a new tub grinder will pay for itself in two years of operation. A substantial improvement in production capacity will also allow the City to expand and develop new markets for mulch materials.
- New tub grinders come with remote controls that are safer and more efficient than older models. The operator can shut down the grinder and control the throttle from the cab of their frontloader without approaching the machine.

Suspension of formal competitive bidding is justified by the following:

- The tub grinder being recommended for purchase from Pacific Utility Equipment Company is a demonstration model with less than 27 hours of operation, and has been shown to City staff at the landfill processing yard waste material. The total cost of this demonstration model, including the addition of a remote device, sales tax and freight, is \$183,113.75. The proposed unit also comes with a one (1) year warranty, which is better than the six (6) month warranty offered on a new unit. The cost of a new model is \$235,592.31, including a remote device, sales tax and freight. Purchasing the demonstration model at this time represents a cost savings of \$52,478.56.
- The Toro ProGrind 4000 tub grinder has several safety features exclusive to the Toro grinder that will reduce maintenance and repair costs on the machine, while significantly lengthening the life of the grinder.

FINANCIAL CONSIDERATIONS:

Sufficient funds for this purchase are available in Solid Waste's budget line 415-310-3147-4340. Suspension of formal competitive bidding will allow the City to take advantage of a unique opportunity to purchase a barely used demonstration model tub grinder at a savings in excess of \$50,000.00.

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).

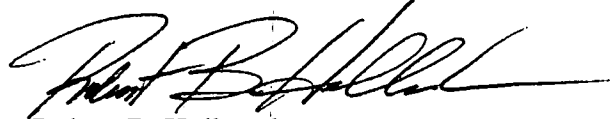
POLICY CONSIDERATIONS:

This recommendation is in accordance with the provisions of City Code Section 57.04.401(c), which authorizes suspension of formal competitive bidding upon a two-thirds vote of the City Council. The purchase of a new tub grinder with increased production capacity will also facilitate the development of new markets through increased processing capacity, consistent with City Council policy to maximize waste diversion efforts.

MBE/WBE EFFORTS:

Pacific Utility Equipment Company is not a minority-owned or woman-owned business enterprise. No M/WBE firms are known or listed in the City Bid Directory that manufacture or distribute this type of equipment.

Respectfully submitted,



Robert B. Holbrook
Procurement Services Manager

RECOMMENDATION APPROVED:


W/ WILLIAM H. EDGAR
City Manager

1 Attachment

APPROVED
BY THE CITY COUNCIL

JAN 13 1998

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CITY CLERK

RESOLUTION NO. 98-010

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**SUSPENDING FORMAL COMPETITIVE BIDDING
FOR THE PURCHASE OF A TUB GRINDER**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. In the best interest of the City of Sacramento, formal competitive bidding is hereby suspended for the purchase of a Torro ProGrind 4000 demonstration model tub grinder.
2. The City Manager is hereby authorized to issue the necessary purchase order to Pacific Utility Equipment Company, 1143 Blumenfield Drive, Sacramento, CA 95813, in a total amount of \$183,113.75.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

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