

RESOLUTION NO. 2007-418

Adopted by the Sacramento City Council

June 21, 2007

AWARD A ONE-YEAR CONTRACT TO SACRAMENTO TRUCK CENTER, THE LOWEST RESPONSIBLE AND RESPONSIVE BIDDER, FOR THE PURCHASE OF 21 REFUSE TRUCKS IN A TOTAL AMOUNT NOT TO EXCEED \$4,595,823 WITH TWO ONE-YEAR RENEWAL OPTIONS TO PURCHASE UP TO AN ADDITIONAL 16 REFUSE TRUCKS FOR AN AMOUNT NOT TO EXCEED \$3,646,079; AUTHORIZE THE OFFICE OF THE CITY TREASURER TO SECURE FUNDING FOR ACQUISITION OF AN INITIAL QUANTITY OF 21 REFUSE TRUCKS, AND APPROVE, EXECUTE, AND DELIVER RELATED FINANCING DOCUMENTS; AND AUTHORIZE THE FINANCE DIRECTOR TO AMEND THE SOLID WASTE AND FLEET MANAGEMENT EXPENDITURE BUDGETS TO REFLECT THE REFUSE TRUCK FINANCING AS SECURED BY THE OFFICE OF THE CITY TREASURER.

BACKGROUND

- A. The Department of General Services, Fleet Management Division has a customer requirement to purchase replacement refuse trucks for the Department of Utilities.
- B. The Office of the City Treasurer has had a Master Lease Equipment Acquisition with Banc of America Public Capital Corporation since 1996 and has provided equipment leasing/financing for several other projects. The use of this financing mechanism is prudent and economical. The City will utilize this financing structure to fund \$4.6 million for the acquisition of the initial 21 refuse trucks.
- C. The source of repayment for the lease financing will be the Solid Waste Fund operating budget from existing rates.
- D. It is desirable and necessary to approve the forms of the various financing documents and to authorize the Office of the City Treasurer to perform the functions necessary to secure financing.
- E. The remaining 16 trucks to be purchased under the recommended contract are scheduled for replacement in FY2008/09 and FY2009/10. Funds to purchase these trucks will come from the Department of Utilities, Solid Waste Division operating budget and will be contingent upon approval of FY2008/09 and FY2009/10 budget appropriations. Pricing for these additional quantities is fixed in the second and third years per the terms of the contract, not to exceed \$3,646,080.

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

- Section 1. The one-year contract for the purchase of 21 refuse trucks from Sacramento Truck Center in an amount not to exceed \$4,595,823 with two one-year renewal options to purchase up to an additional 16 refuse trucks for an amount not to exceed \$3,646,079 is hereby awarded.
- Section 2. The contract with Sacramento Truck Center provides for an initial term of one-year, with the option to renew for two additional one-year terms up to a total contract term of three years (including the initial term and all extensions). The City Manager may authorize such extension(s) for the total not to exceed amount specified above, provided that sufficient funds are available in the budget adopted for the applicable fiscal years.
- Section 3. The Office of the City Treasurer is hereby authorized to secure funding for the acquisition of an initial quantity of 21 refuse trucks, and approve, execute and deliver the related financing documents.
- Section 4. The Finance Director is hereby authorized to amend the Solid Waste and Fleet Management expenditure budgets to reflect the refuse truck financing and procurement of the 21 refuse trucks as secured by the Office of the City Treasurer. Approval of future purchases is subject to appropriation in the annual budget.

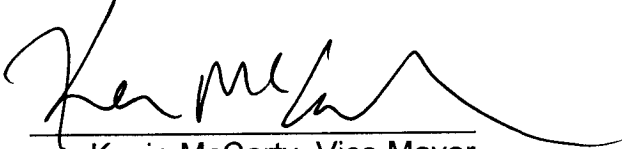
Adopted by the City of Sacramento City Council on June 21, 2007 by the following vote:

Ayes: Councilmembers, Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, and Waters.

Noes: None.

Abstain: None.

Absent: Mayor Fargo.



Kevin McCarty, Vice Mayor

Attest:



Shirley Concolino, City Clerk