

**COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO**

DATE ISSUED: 05/11/2011 REPORT NO:
ATTENTION: Budget and Finance Committee
ORIGINATING DEPARTMENT: Fleet Services
SUBJECT: Increase of annual Purchase Contract Agreement limit to
purchase Fleet Motive Equipment.
COUNCIL DISTRICT(S): NA
CONTACT/PHONE NUMBER: Mark Caroccia (619) 527 7561

REQUESTED ACTION: Authorize Purchasing and Contracting Department to exceed the \$1,000,000 annual purchase limitation on Contract No. C008100033 to acquire replacement trucks for overage Fleet Motive Equipment assigned to Street Division, Transportation and Storm Water Department. The current Motive Equipment has reached the end of its useful lifecycle and has become more expensive to maintain, less reliable, and less safe to operate. The new vehicles will replace equipment currently utilized by Street Division, Transportation and Storm Water Department for the repair, maintenance and replacement of street lamps, traffic signals, park flood lighting systems and tree trimming throughout the City. Twelve trucks are scheduled for replacement at an estimated cost of \$1,799,060 including sales tax and applicable California tire tax.

STAFF RECOMMENDATION: Approve the requested Action

EXECUTIVE SUMMARY: Contract No. C008100033 with Altec Industries Inc has been established via a competitive bidding process and approved by Purchasing and Contracting Department (attachment 1). This action will authorize the Purchasing and Contracting Department to exceed the \$1,000,000 annual purchase limitation and provide the replacement of twelve pieces of motive equipment for Street Division for a total estimated cost of \$1,799,060 (attachment 2). These vehicles are utilized by Street Division for the repair, maintenance and replacement of street lamps, traffic signals and park flood lighting systems and tree trimming throughout the City.

The vehicles were evaluated by Fleet staff and recommended for replacement and were included in the FY10 Fleet Services' Motive Equipment Acquisition Plan. Funds are available in the Council approved General Service Department Fleet Replacement budget to lease purchase this motive equipment. In addition, the vehicles are included in the Council approved FY11 Equipment and Vehicle Finance Program (EVFP) to fund vehicles and equipment.

FISCAL CONSIDERATIONS: The current contract pricing is effective until July 31, 2011. The contract includes an option to renew, after which pricing is expected to increase. Further delaying vehicle replacements will result in increased repair and maintenance costs as well as a decrease in vehicle safety and reliability. Attachment 2 provides more detail on the equipment types and pricing for this vehicle acquisition.

FISCAL CONSIDERATIONS:(continued) The vehicles will be funded by the City through a lease purchase agreement with JP Morgan Chase Bank, N.A. (formerly Chase Equipment Finance). Approval of this agreement was adopted by the City Council on February 15,2011 via Ordinance 20024 (attached). The cost of the equipment will be financed over a 7 year term, with future lease payments budgeted in future years budget. Sales tax and tire tax which is \$144,867.85 of the total amount will be paid through the [General Fund Fleet replacement] budget.

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE)

This agreement is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) and the Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Section 22.3501 through 22.3517).

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None

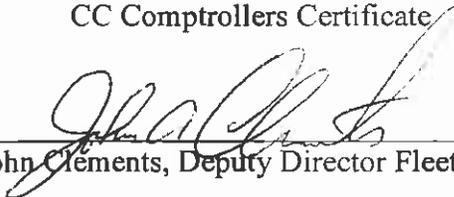
COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Altec Industries Inc. (Vender)
John Clements. General Services, Fleet Services Dept.

ATTACHMENTS:

- Fleet attachment-1
- Fleet attachment-2
- Executed Ordinance
- CC Comptrollers Certificate



John Clements, Deputy Director Fleet Services

ATTACHMENT I



City of San Diego PURCHASING CONTRACT Bid No.: 8766-07-E

Cont. No. **C008100033**

Ship To: Center ID: PNC1 PURCHASING & CONTRACTING PURCHASING & CONTRACTING-DELIVERY MS56P 1200 3RD AVE STE 200 SAN DIEGO CA 92101-4195	Bill To: PURCHASING & CONTRACTING PURCHASING & CONTRACTING-INVOICE MS56P 1200 3RD AVE STE 200 SAN DIEGO CA 92101-4195	Page 1 of 3 Date: 06/27/2009 Last Option End Date: 07/31/2012 Validity End Date: 07/31/2011
---	--	--

Vendor: Altec Industries Inc 325 Industrial Way Dixon CA 95620-9763 Vendor ID: 0010016522 Phone: 707-678-0800 Fax:	Terms: Within 30 days Due net Delivery Terms: DES FREE ON BOARD Buyer: CONV_301_02 Phone: Fax: E-Mail:
---	---

Line #	Item ID/Description	Quantity/UM	Unit Price	Extended Price
This Document is for Contractual Information Only and is NOT a Purchase Order. Purchase Orders Will be Issued as Needed See Purchase Orders for the delivery and billing address...				
1	Aerial Lift Truck SECTION A - ITEM 1 16,000 GVW Aerial Lift Truck Delivery: 290 Calendar Days ARO Cab and Chassis Mfr: Ford Cab and Chassis Warranty: - 36 months/36,000 Miles Bumper to Bumper. - Powertrain 60 months/60,000 miles. - Engine 60 months/100,000 miles. Service Body Mfr: Altec Aerial Lift Mfr: Altec	4 EA	\$ 72,829.18	\$ 291,316.72
2	SECTION A-ITEM 2 25,000 GVW Aerial Lift Truck Delivery: 300 Calendar Days ARO Cab and Chassis Mfr: Freightliner Cab and Chassis Warranty: Two (2) year warranty on chassis & chassis components Van Body Mfr: Tri-une Aerial Lift Mfr: Altec	1 EA	\$ 189,236.18	\$ 189,236.18

Have questions about doing business with the City of San Diego? Visit our Purchasing web site at www.sandiego.gov/purchasing

For specific information regarding contract opportunities with the City of San Diego, please visit our Bid & Contract Opportunities web site at www.sandiego.gov/bids-contracts.

**SEE LAST PAGE
FOR TOTAL**



City of San Diego PURCHASING
 CONTRACT
 Bid No: 8766-07-E

Cont. No. **C008100033**

Ship To: Center ID: PNC1 PURCHASING & CONTRACTING PURCHASING & CONTRACTING-DELIVERY MS56P 1200 3RD AVE STE 200 SAN DIEGO CA 92101-4185	Bill To: PURCHASING & CONTRACTING PURCHASING & CONTRACTING-INVOICE MS56P 1200 3RD AVE STE 200 SAN DIEGO CA 92101-4185	Date: 06/27/2009 Last Option End Date: 07/31/2012 Validity End Date: 07/31/2011
---	--	---

Vendor: Altec Industries Inc 325 Industrial Way Dixon CA 95620-9783	Terms: Within 30 days Due net Delivery Terms: DES FREE ON BOARD
Vendor ID: 0010016522 Phone: 707-678-0800 Fax:	Buyer: CONV_301_02 Phone: Fax: E-Mail:

Line #	Item ID/Description	Quantity/UM	Unit Price	Extended Price
This Document is for Contractual Information Only and is NOT a Purchase Order. Purchase Orders Will be Issued as Needed See Purchase Orders for the delivery and billing address...				
3	SECTION A-ITEM 3 Aerial Lift Truck with Chipper Body Delivery: 279 Calendar Days ARO Cab and Chassis Mfr: Ford Cab and Chassis Warranty: - 24 months/unlimited miles, transmission - 36 months/unlimited miles - Engine 36 months/150,000 miles Forestry Dump Body Mfr: Altec Aerial Lift Manufacturer: Altec	1 EA	\$ 128,629.83	\$ 128,629.83
4	MODIFICATION Incremental cost to provide upgraded specifications in lieu of specifications required for Line #2 Section A - Item 2.	1 EA	\$ 4,350.00	\$ 4,350.00

Have questions about doing business with the City of San Diego? Visit our Purchasing web site at www.sandiego.gov/purchasing

For specific information regarding contract opportunities with the City of San Diego, please visit our Bid & Contract Opportunities web site at www.sandiego.gov/bids-contracts.

SEE LAST PAGE FOR TOTAL



City of San Diego PURCHASING
 CONTRACT
 Bid No: 8766-07-E

Cont. No. C008100033

Ship To: Center ID: PNC1 PURCHASING & CONTRACTING PURCHASING & CONTRACTING-DELIVERY MS56P 1200 3RD AVE STE 200 SAN DIEGO CA 92101-4195	Bill To: PURCHASING & CONTRACTING PURCHASING & CONTRACTING-INVOICE MS56P 1200 3RD AVE STE 200 SAN DIEGO CA 92101-4195	Date: 06/27/2009 Last Option End Date: 07/31/2012 Validity End Date: 07/31/2011
---	--	---

Page 3 of 3

Vendor: Altec Industries Inc 325 Industrial Way Dixon CA 95620-9763 Vendor ID: 0010016622 Phone: 707-678-0800 Fax:	Terms: Within 30 days Due net Delivery Terms: DES FREE ON BOARD Buyer: CONV_301_02 Phone: Fax: E-Mail:
---	--

Line #	Item ID/Description	Quantity/UM	Unit Price	Extended Price
	Notes: Furnish the City of San Diego with Various Medium Duty Aerial Lift Trucks Exercising Option #3 to renew for an additional one (1) year beginning 08/01/10 through 07/31/11, with an overall increase of 1.85% increase. 11.15.10 - Contract modified to add lines 4. btg Options Remaining: 08/01/11 through 07/31/12: Increase not to exceed 5%. Vendor Contact: Mandeep Hansi, Inside Sales Representative E-Mail: mandeep.hansi@altec.com Buyer: Beverly Asbill-Gumba Phone: (619) 236-5923 Fax: (619) 533-3225 Distribution: File, Vendor, Buyer, Mark Cerocda			

Have questions about doing business with the City of San Diego? Visit our Purchasing web site at www.sandiego.gov/purchasing

For specific information regarding contract opportunities with the City of San Diego, please visit our Bid & Contract Opportunities web site at www.sandiego.gov/bids-contracts.

Line Item Total \$	613,432.53
Tax	
Freight	0.00
Contract Total \$	613,432.53

ATTACHMENT 2

REF. Contract No. C008100033, Altec Industries Inc.

Contract Line Numbers	Contact Price	Sales Tax	CA Tire Tax	Total Sales Amount	Equip to be replaced	Dept.	Description
3	\$128,529.63	\$11,246.34	\$10.50	\$139,786.47	713006	Streets	Aerial Lift truck with Chipper Body
1	\$72,829.18	\$6,372.55	\$10.50	\$79,212.23	407013	Streets	16,000 GVW Aerial Lift Truck
1	\$72,829.18	\$6,372.55	\$10.50	\$79,212.23	407014	Streets	16,000 GVW Aerial Lift Truck
1	\$72,829.18	\$6,372.55	\$10.50	\$79,212.23	407015	Streets	16,000 GVW Aerial Lift Truck
1	\$72,829.18	\$6,372.55	\$10.50	\$79,212.23	407017	Streets	16,000 GVW Aerial Lift Truck
1	\$72,829.18	\$6,372.55	\$10.50	\$79,212.23	407019	Streets	16,000 GVW Aerial Lift Truck
2 and 4	\$193,586.18	\$16,938.79	\$10.50	\$210,535.47	615011	Streets	25,000 DVW Aerial Truck with Modification
2 and 4	\$193,586.18	\$16,938.79	\$10.50	\$210,535.47	615012	Streets	25,000 DVW Aerial Truck with Modification
2 and 4	\$193,586.18	\$16,938.79	\$10.50	\$210,535.47	615013	Streets	25,000 DVW Aerial Truck with Modification
2 and 4	\$193,586.18	\$16,938.79	\$10.50	\$210,535.47	615014	Streets	25,000 DVW Aerial Truck with Modification
2 and 4	\$193,586.18	\$16,938.79	\$10.50	\$210,535.47	615015	Streets	25,000 DVW Aerial Truck with Modification
2 and 4	\$193,586.18	\$16,938.79	\$10.50	\$210,535.47	615016	Streets	25,000 DVW Aerial Truck with Modification
Total	\$1,654,192.61	\$144,741.85	\$126.00	\$1,799,060.46			

ORDINANCE NUMBER O- 20021 (NEW SERIES)

50

DATE OF FINAL PASSAGE FEB 22 2011

2/27

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR TO ENTER INTO A MASTER LEASE AGREEMENT WITH CHASE EQUIPMENT FINANCE, INC. FOR THE PURPOSE OF FINANCING THE ACQUISITION OF ESSENTIAL VEHICLES AND EQUIPMENT IN AN AMOUNT NOT TO EXCEED \$22.2 MILLION AND TAKING OTHER ACTIONS IN CONNECTION THEREWITH.

WHEREAS, from time to time the City of San Diego [City] needs to acquire vehicles and equipment for the purposes of providing public services and frequently uses lease-purchase financing to purchase such vehicles and equipment; and

WHEREAS, on September 16, 2010, the City issued a Request for Proposals [RFP] to solicit financing proposals for the acquisition of such vehicles and equipment; and

WHEREAS, the City received three proposals and the City's evaluation committee selected the proposal submitted by Chase Equipment Finance, Inc. [Chase] as providing the most competitive funding rates and meeting all of the terms and conditions required by the City; and

WHEREAS, the City's financial advisor, Public Resources Advisory Group [PRAG], has determined that the rates proposed are competitive based upon current market conditions; and

WHEREAS, the Mayor has determined to enter into a Master Lease Agreement [Agreement] with Chase in an amount not to exceed \$22.2 million to finance the acquisition of vehicles and equipment through a lease-purchase arrangement; and

WHEREAS, the Mayor intends to finance under the Agreement the City's fleet replacement needs as described in Report to the City Council No. 10-157, dated December 8,

2010 [Report], and will seek approval from the City Council prior to financing any vehicles and/or equipment under the Agreement; and

WHEREAS, the Mayor requests approval from the City Council to finance the City's fleet replacement needs as described in the Report; and

WHEREAS, under Charter Section 99, no contract, agreement or obligation extending for a period of more than five years may be authorized except by an ordinance adopted by a two-thirds majority of the City Council, NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That the Mayor or the Chief Financial Officer is hereby authorized to execute, for and on behalf of the City of San Diego, a Master Lease Agreement with Chase for the purpose of financing the acquisition of essential vehicles and equipment. The Master Lease Agreement shall be in substantially the form presented to this Council, on file in the Office of the City Clerk as Document No. OO- 20024, with such additions and changes therein as the Mayor or the Chief Financial Officer, in consultation with the City Attorney, shall approve as being in the best interest of the City; provided however that: (i) the acquisition cost of the vehicles and equipment financed under the Master Lease Agreement shall not exceed \$22.2 million, in total, with \$9.6 million to fund the City's fleet replacement needs in Fiscal Year 2011 and \$12.6 million to fund the City's fleet replacement and equipment needs in Fiscal Year 2012; and (ii) the interest rate on any such financed vehicles and equipment shall not exceed six percent (6%) annually.

Section 2. That the City's fleet replacement needs as described in the Report shall be financed under the Agreement.

Section 3. That the Mayor will return to the City Council before financing the acquisition of any additional vehicles and/or equipment under the Agreement.

Section 4. That a full reading of this ordinance is dispensed with prior to its passage, a written or printed copy having been available to the City Council and the public prior to the day of its passage.

Section 5. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: JAN I. GOLDSMITH, City Attorney

By  _____
Brant C. Will
Deputy City Attorney

BCW:jdf:jab
11/17/10
1/19/11 COR. COPY
Or.Dept:Debt Management

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of FEB 15 2011.

ELIZABETH S. MALAND
City Clerk

By Carmen L. Trujano
Deputy City Clerk

Approved: 2-22-11
(date)

JSL
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

The City of San Diego
COMPTROLLER'S CERTIFICATE

CERTIFICATE OF UNALLOTTED BALANCE

ORIGINATING CC 300004162
 DEPT 2113
 NO

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount: _____ Fund: _____

Purpose: _____

Date: _____ By: _____

COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA									
Doc. Item	Fund	Funded Program	Internal Order	Functional Area	G/L Account	Business Area	Cost Center	WBS	Original Amount
TOTAL AMOUNT									

FUND OVERRIDE

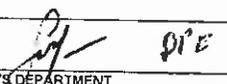
CERTIFICATION OF UNENCUMBERED BALANCE

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said money now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Not to Exceed: _____ \$144,867.85

Vendor: Allec Industries Inc.

Purpose: To authorize increase of annual Purchasing Contract Agreement limit to purchase replacement trucks for overage Fleet Motive Equipment assigned to Street Division, Transportation and Storm Water Department.

Date: April 19, 2011 By: Larisa Grebeshkova 

COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA									
Doc. Item	Fund	Funded Program	Internal Order	Functional Area	G/L Account	Business Area	Cost Center	WBS	Original Amount
001	720011			OTHR-00000000-GG	560045	2113	2113140012		\$144,867.85
TOTAL AMOUNT									\$144,867.85

FUND OVERRIDE

CC 300004162

