



City of Sunnyvale

Agenda Item-No Attachments (PDF)

File #: 15-0428, Version: 1

REPORT TO COUNCIL

SUBJECT

Award of Contract for One Dump Truck (F15-85) and Approval of Budget Modification No. 47 for \$128,185 to Fund the Purchase

REPORT IN BRIEF

Approval is requested to award contract to Peterson Trucks, Inc. in the amount of \$117,872 for one Dump Truck, excluding sales tax and fees, to be utilized by the Environmental Services Department (ESD). Approval is also requested for Budget Modification No. 47 to fund the purchase, including sales tax and fees.

BACKGROUND

Currently, ESD's Water Division spends approximately \$40,000 annually to rent dump trucks on an as-needed basis for the installation and maintenance of water distribution and transmission pipelines. This need is expected to continue as the City invests significantly in replacing its aging water infrastructure. The new unit, a 10-wheel dump truck, should provide a minimum of 12 years of service life.

Bid specifications for the truck were prepared by the Department of Public Works Fleet Services Division. Purchasing staff issued Invitation for Bids (IFB) No. F15-85, broadcast to potential suppliers through the City's Onvia DemandStar public procurement network. Sealed bids were received and publicly opened on April 8, 2015. Four (4) bids were received and the bid tabulation is contained in Attachment 1. The lowest bidder was determined to be non-responsive because the truck that was bid did not meet critical specifications for engine size and gross vehicle weight. Staff therefore recommends awarding the contract to the second lowest bidder. The difference in bid amounts between the low and second low bidders is approximately \$2,500.

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

The cost of the dump truck is \$117,872, excluding sales tax. The total cost, including taxes and fees, is estimated to be \$128,185. The dump truck will be paid for by the Water Supply and Distribution Fund (Water Fund). The acquisition of this dump truck eliminates the need for the Water Resources operating program to pay for a rental truck. Budget Modification No. 47 has been prepared to increase the fleet replacement budget (to be funded by a transfer from the Water Fund Rate Stabilization reserve to the General Services Fund / Fleet Sub-fund) for the amount of the truck. A \$40,000 reduction to the Water Resources operating budget will be included in the FY 2015/16 Adopted Budget. Due to the offsetting savings, purchase of this vehicle will not have an impact on Water Rates.

**Budget Modification No. 47
FY 2014/15**

	Current	Increase/ (Decrease)	Revised
<u>Water Supply and Distribution Fund</u>			
Rate Stabilization Reserve	\$3,100,411	(\$128,185)	\$2,972,226
<u>General Services Fund / Fleet Sub-Fund</u>			
Fleet Replacement	\$2,967,674	\$128,185	\$3,095,859

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

1) Award a contract in the amount of \$117,872 to Peterson Trucks, Inc. for one dump truck, in substantially the same form as the draft purchase order attached to the report; and 2) Approve Budget Modification No. 47 for \$128,185 to fund the total cost including taxes and fees.

Prepared by: Pete Gonda, Purchasing Officer
Reviewed by: Grace K. Leung, Director of Finance
Reviewed by: Manuel Pineda, Director of Public Works
Reviewed by: Robert A. Walker, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Bid Summary
2. Draft of Purchase Order