



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

---

File #: 16-0229, Version: 1

---

### **REPORT TO COUNCIL**

#### **SUBJECT**

Authorize the Issuance of a Purchase Order for Two Oil Distributor Trucks

#### **REPORT IN BRIEF**

Approval is requested to issue a purchase order to Herrmann Equipment Inc. of Roseville in the amount of \$361,626 (\$332,510 plus sales tax and tire fee), for two oil distributor trucks for use by the Department of Public Works.

#### **EXISTING POLICY**

Chapter 2.08 of the Municipal Code requires Council approval for transactions greater than \$100,000.

#### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

#### **BACKGROUND AND DISCUSSION**

The routine replacement of fleet maintenance equipment is required based on hours of operation, equipment condition, operational costs, years of service, and the financial capacity of the City. The requested trucks are Etnyre Centennial 2,000 gallon oil distributor units used by field staff for chip sealing paved surfaces. One truck transports and distributes the bonding oil using two applications per project and the other truck transports and distributes the final sealing coat. The two current units have been in service for 16 and 18 years and have reached the end of their useful life. One truck is scheduled for replacement this fiscal year and the other scheduled for replacement in FY 2016/2017.

An Invitation for Bid F16-67 to purchase the unit now up for replacement was issued in December 2015 but no bids were received. Staff contacted the two known vehicle manufacturers to determine why no bids were submitted; they indicated that they did not feel they could meet the City’s specifications (the bid documents allow exceptions to be taken to the specifications, but neither manufacturer opted to submit bids with exceptions).

Pursuant to Sunnyvale Municipal Code section 2.08.110(b), when competitive bids have been solicited and no bids are received, the Purchasing Office may reissue the solicitation. In this instance, the two manufacturers, Herrmann Equipment and Bearcat Manufacturing, were asked to re-submit price quotes with noted exceptions. The quote from Herrmann in the amount of \$361,626 was the lowest, with the Bearcat quote coming in at \$385,950. The City’s Fleet Manager evaluated the exceptions and determined that they would not impact operational needs.

To reduce the administrative cost of bidding and purchasing a second identical unit at the beginning of Fiscal Year 2016/17, staff recommends purchasing both units at this time. The City will not take possession or pay for the either unit until after July 1, 2016.

### **FISCAL IMPACT**

The total purchase price of the new units, excluding sales tax is \$361,626. This consists of \$332,510 for the two trucks, sales tax in the amount of \$29,095, and a tire fee of \$21. Budgeted funds are available in the Fleet Equipment Replacement Account.

### **Funding Source**

The City's fleet vehicles are funded by the City's General Services Fund, Fleet Services Sub-Fund which provides for ongoing fleet equipment replacement. Contributions to the fund for replacement of the Oil Distributor Trucks come from the General Fund.

### **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**

Authorize the issuance of a Purchase Order in the amount of \$361,626 (\$332,531 plus sales tax in the amount of \$29,095), in substantially the same form as Attachment 1 of the report, to Herrmann Equipment, Inc. of Roseville for two oil distributor trucks.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Timothy J. Kirby, Acting Director, Finance

Reviewed by: Manuel Pineda, Director, Public Works

Reviewed by: Walter C. Rossmann, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENT**

1. Draft Purchase Order