



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Authorize the Issuance of a Purchase Order to Owen Equipment Sales for One (1) Elgin Road Wizard Street Sweeper Vehicle and Approve Budget Modification No. 2 in the Amount of \$154,600 (F20-167)

REPORT IN BRIEF

Approval is requested to authorize the issuance of a Purchase Order to Owen Equipment Sales of Vancouver, Washington in the amount of \$340,000 (including tire and delivery fees) excluding sales tax, in substantially the same form as Attachment 1 to the report, to Owen Equipment Sales for one (1) Elgin Road Wizard Street Sweeper vehicle and approval of Budget Modification No. 2 in the amount of \$154,600 to provide additional funding.

EXISTING POLICY

Pursuant to Section 2.08.040 of the Sunnyvale Municipal Code, Council approval is required for the procurement of goods and/or services greater than \$100,000 in any one transaction.

Further, Section 2.08.220(b) of the Sunnyvale Municipal Code authorizes the purchasing officer to direct the city's participation with one or more governmental, public or quasi-public agencies in a cooperative agreement for the procurement of goods and/or services, provided that at least one of the agencies has solicited bids.

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 economical operation of the City's fleet requires that vehicles and equipment be replaced before operating costs exceed the life cycle cost, in accordance with the vehicle replacement schedule. Additionally, the vehicle replacement guidelines allow the City, in its best interest, to modernize the fleet when warranted. Newer vehicles are more technically advanced, have improved safety systems, produce fewer emissions and are more fuel-efficient, which minimizes costs and assures safety. The identified vehicles are scheduled for replacement per the City's 20-year Fleet Replacement and Rental Schedule.

The purchase of this vehicle follows Administrative Policy “Energy Conservation for City Owned Facilities and Equipment” (Chapter 6, Article 4). Subdivision 3.B and 3.C, which specifies that new vehicle purchases shall be energy efficient and, where practical and economically feasible, alternative fuel vehicles shall be considered. Zero emission and hybrid alternative vehicles were researched and considered as part of the vehicle purchase process but were not option for this specific vehicle type and specification.

The identified vehicle for replacement is a department vehicle used to perform daily and routine City operations. The vehicle is a one-for-one replacement for the Department of Public Works. The identified vehicle is scheduled for replacement per the City’s Equipment Replacement Schedule.

Traditionally, the City has purchased fleet vehicles through a cooperative purchasing agreement or through a California Statewide Commodity Contract. The City has used cooperative agreements many times in the past to identify vendors and has experienced better pricing than when bidding the goods/services individually. The identified vehicle can be provided by Federal Signal Corp and is available through Sourcwell, a national cooperative procurement organization offering publicly solicited contracts to government entities nationwide. It is in the best interest of the City to purchase through the Sourcwell contract with Owen Equipment Sales, its local authorized dealer. Utilizing the Sourcwell contract pricing saves time researching and writing numerous vehicle specifications while benefiting from established vehicle pricing through this Agreement.

FISCAL IMPACT

The planned replacement value of \$216,000 is available for this Street Sweeper in the Fleet Equipment Replacement Account. Budget Modification No. 2 has been prepared to appropriate \$154,600 from the General Services - Fleet Services Sub-Fund to cover the delta needed for the \$370,600 replacement cost as summarized in the table below.

This table outlines the total cost of purchase with estimated sales tax.

<u>Description</u>	<u>Qty.</u>	<u>Total</u>
Elgin Road Wizard Street Sweeper	1	\$332,444.50
Tires Fee	1	\$10.50
Delivery Fee	1	\$7,545.00
Sub-Total		\$340,000.00
Estimated Tax		\$30,600.00
Total		\$370,600.00

Budget Modification No. 2
FY 2020/21

	Current	Increase/ (Decrease)	Revised
General Services Fund - Fleet			
Services Sub-Fund			
<u>Expenditures</u>			
Project 020700 (Fleet Equipment)	\$4,959,184	\$154,600	\$5,113,784
<u>Reserves</u>			
Fleet Services Reserve	\$1,224,461	(\$154,600)	\$1,069,861

Funding Source

The City's Fleet vehicles are funded by one of the City's internal services funds, the General Services - Fleet Services Sub-Fund, which provides for ongoing fleet equipment replacement. Funding is provided through internal service charges from the various affected departments based on the equipment used.

PUBLIC CONTACT

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

RECOMMENDATION

Take the following actions:

- Authorize the issuance of a Purchase Order in the amount of \$340,000 (including tire and delivery fees) excluding sales tax, in substantially the same form as Attachment 1 to the report, to Owen Equipment Sales; and
- Approve Budget Modification No.2 in the amount of \$154,600 to provide additional funding.

Prepared by: Gregory S. Card, Purchasing Officer
Reviewed by: Tim Kirby, Director of Finance
Reviewed by: Chip Taylor, Director of Public Works
Reviewed by: Jaqui Guzmán, Deputy City Manager
Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Draft Purchase Order