

**Council Meeting: March 18, 2008****SUBJECT: Award of Bid No. F0712-54 for One Aerial Forestry Service Truck****REPORT IN BRIEF**

Approval is requested for the award of a contract in the amount of \$129,867 to Altec Industries, of Creedmoor, North Carolina for one aerial Forestry Service Truck for the Department of Public Works, Fleet Services Division.

BACKGROUND

Economic operation of the City's fleet requires that vehicles and equipment be replaced before operating costs become excessive. The existing truck is considered safe, but its age, mileage, and breakdown record make its replacement appropriate at this time. The replacement vehicle is a 2008 LRV60E-70 aerial forestry truck mounted on a 2008 Ford F-750, which will be used by the Department of Public Works Trees and Landscape Division for recurring maintenance to city trees. The requested vehicle will replace a unit that has been in daily service for the past eleven years and is at the end of its useful life. The existing vehicle is scheduled for replacement during FY 2007/2008.

DISCUSSION

Sealed bids were received and publicly opened on January 16, 2008. Two responsive bids were received:

<u>Bidder</u>	<u>Total Bid</u>
Altec Industries, Creedmoor, NC	\$129,867*
Terex Utilities, Inc., Sacramento, CA	\$143,582**

*Includes \$20,000 trade in allowance

**Includes \$22,000 trade-in allowance

Staff has determined that the aerial Forestry Service Truck offered by Altec Industries meets City specifications and recommends that the contract be awarded to that firm as the lowest responsive and responsible bidder.

Bid specifications included an option for a hybrid electric/diesel engine. Terex Utilities, Inc. provided a quote for a hybrid engine for an additional cost of \$80,036.09; however, based on utilization data the unit would save only \$23,328 in fuel costs over its expected lifetime. In addition, the bid was for a prototype that used a diesel engine to charge on-board lithium-ion batteries. Currently, no manufacturer has actually produced this type of a hybrid for an aerial forestry truck.

Given the infancy of hybrid technology for this specific aerial forestry unit and the substantial increase to life-cycle costs, staff does not feel it would be prudent at this time to utilize the hybrid power option in this application. Staff will continue to research hybrid and other alternative power sources when making purchasing decisions on all equipment and vehicles in the future.

PUBLIC CONTACT

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

FISCAL IMPACT

Total cost to the City will be \$129,867 (includes sales tax, a trade in allowance of \$20,000 for the existing aerial device and delivery to the Corporation Yard). Funds are available in Fleet Equipment Replacement Account No.020700.

RECOMMENDATION

It is recommended that Council award a contract to Altec Industries, in substantially the same form as the attached draft purchase order and in an amount not to exceed \$129,867, for one aerial Forestry Service Truck utilizing a standard diesel engine.

Reviewed by:

Mary J. Bradley, Director of Finance
Prepared by: Dreama Howard, Senior Buyer

Reviewed by:

Marvin Rose
Director of Public Works

Approved by

Amy Chan
City Manager

Attachment

Draft Purchase Order



CITY OF SUNNYVALE CALIFORNIA

DRAFT

PURCHASE ORDER NO PO002197 Page 1 of 1

ORDERED FROM: 00406 - 001 Phone: (916)678-0800 Altec Industries Inc 1450 N 1st St Dixon CA 95620	ORDER DATE 02/26/2008	BILL TO: City of Sunnyvale Finance Department Accounts Payable PO Box 3707 Sunnyvale CA 94088-3707
	DELIVERY DATE 08/19/2008	
	PAYMENT TERMS N/30	

DELIVER TO: PW/Fleet Maintenance 221 Commercial St Sunnyvale CA 94085 Phone: (408)730-7570	FOB	FREIGHT CHARGES
	CHARGE/OBJ CODE(S) 020700 5135 \$129,867.00	

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL
1	Provide an aerial forestry service truck with a 75 foot boom and a chipper body with service compartments per Invitation for bids F0712-54 terms and conditions and bidders response. 2008 LRV60E70 mounted on a 2008 Ford F-750. Price includes a \$20,000 trade-in allowance for a city-owned aerial truck.	1.00	EA	118445.0000	118445.0000
2	Sales Tax (8.25%). Calculated on price before \$20,000 trade-in allowance. Requisition Number: RQ002766 Requisitioner: Tony Vargas 408-730-7570 Awarded by City Council 3/18/2008, RTC_____	11,422.00	DLR	1.0000	11422.0000

TOTAL \$129,867.00

BUYER

Howard, Dreama

Phone (408)730-7396 Fax (408)730-7710