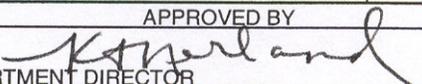


AGENDA ITEM NO.

COUNCIL MEETING: Jan. 29, 2008

APPROVED BY


DEPARTMENT DIRECTOR

CITY MANAGER

January 29, 2008

FROM: KENNETH A. NERLAND, Director
General Services Department

BY: JAMES H. SCHAAD, Manager 
Fleet Management Division

SUBJECT: AWARD A REQUIREMENTS CONTRACT IN THE AMOUNT OF \$4,719,497.80 TO FRESNO TRUCK CENTER OF FRESNO, CA FOR SIDE LOADING REFUSE TRUCKS BID FILE NO. 8813

KEY RESULT AREA: Customer Service

RECOMMENDATIONS

Staff recommends that the City Council award a one year requirements contract, with provisions for four one-year extensions, for side loading refuse trucks in the amount of \$4,719,497.80 to Fresno Truck Center of Fresno, CA.

EXECUTIVE SUMMARY

The General Services Department, Fleet Management Division is seeking to establish a requirements contract for side loading refuse trucks to be used for residential solid waste collection by the Solid Waste Management Division of the Department of Public Utilities within the City of Fresno. The trucks will be equipped with liquid natural gas (LNG) powered engines that meet the 2010 emission standard.

The majority of the trucks purchased under this contract will be replacement units for trucks that have reached the end of their economic life. The new trucks purchased under this contract will be equipped with the most advanced LNG powered engines and refuse collection body technology available resulting in the cleanest and most efficient operation possible. The new truck engines will emit 94% less ozone forming pollutants than the diesel powered trucks they replace. In addition, the use of LNG as fuel will result in a 61% cost savings verses current diesel fuel cost. The 20 unit quantity used for bidding purposes in the specifications represents the typical number of side loading refuse trucks planned for replacement over the next two years. The actual quantities of trucks replaced each year will be determined by the Council-approved appropriations in the Fleet Replacement budget for each fiscal year. If this contract and appropriations are approved, the entire residential refuse collection truck fleet will be operating on LNG by 2010 as planned in 2003.

Staff recommends that the City Council award a one year requirements contract, with provisions for four one-year extensions, for side loading refuse trucks in the amount of \$4,719,497.80 to Fresno Truck Center of Fresno, CA.

REPORT TO THE CITY COUNCIL

Award requirements contract for side loading refuse trucks

Jan. 29, 2008

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KEY OBJECTIVE BALANCE

The establishment of a requirements contract for the purchase of side loading refuse trucks will balance all the Key Objectives. Customer Satisfaction and Employee Satisfaction will be enhanced through improved reliability, lower emissions, and better performance compared to the old trucks being replaced. Financial Management will be enhanced by reducing costs for maintenance and fuel.

BACKGROUND

The General Services Department, Fleet Management Division is seeking to establish a requirements contract for side loading refuse trucks to be used for residential solid waste collection by the Solid Waste Management Division of the Department of Public Utilities within the City of Fresno. The trucks will be equipped with liquid natural gas (LNG) powered engines that meet the 2010 emission standard.

The majority of the trucks purchased under this contract will be replacement units for trucks that have reached the end of their economic life. The new trucks purchased under this contract will be equipped with the most advanced LNG powered engines and refuse collection body technology available resulting in the cleanest and most efficient operation possible. The new truck engines will emit 94% less ozone forming pollutants than the diesel powered trucks they replace. In addition, the use of LNG as fuel will result in a 61% cost savings verses current diesel fuel cost. The 20 unit quantity used for bidding purposes in the specifications represents the typical number of side loading refuse trucks planned for replacement over the next two years. The actual quantities of trucks replaced each year will be determined by the Council-approved appropriations in the Fleet Replacement budget for each fiscal year. If this contract and appropriations are approved, the entire residential refuse collection truck fleet will be operating on LNG by 2010 as planned in 2003.

Specifications for a two-phase bid process were prepared and sent out to eleven (11) prospective bidders. A Notice Inviting Bids was published on October 10, 2007, and posted on the City's website. Five (5) bid proposals were received from four (4) prospective bidders for Phase 1 evaluation without pricing on November 8, 2007. Four (4) proposals were approved, one from each of the prospective bidders that submitted proposals for evaluation, to submit pricing for Phase 2 of the bid process. Four (4) bid proposals were received at a public bid opening on January 10, 2008. The bid proposal from Fresno Truck Center of Fresno, CA in the amount of \$4,719,497.80 is the lowest responsive bid proposal for this project. This staff determination was posted on the City's website on January 18, 2008.

Staff recommends that the City Council award a one year requirements contract, with provisions for four one-year extensions, for side loading refuse trucks in the amount of \$4,719,497.80 to Fresno Truck Center of Fresno, CA.

FISCAL IMPACT

Funding is available for the side loading refuse truck purchases in the Fleet Replacement Fund appropriations approved in the Adopted FY 08 Budget.

Attachments: Fiscal Impact Statement
Evaluation of Bid Proposals

FISCAL IMPACT STATEMENT

ORGANIZATION: GENERAL SERVICES –Fleet Management Division - Fund: 50502 Org. 530501

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT FY</u>	<u>ANNUALIZED COST</u>
Direct Cost	<u>\$4,719,497.80</u>	<u>\$ 0</u>
Indirect Cost	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL COST	<u>\$4,719,497.80</u>	<u>\$ 0</u>
Additional Revenue or Savings Generated	<u>\$ 0</u>	<u>\$ 0</u>
Net City Cost	<u>\$4,719,497.80</u>	<u>\$ 0</u>
Amount Budgeted (If none budgeted, identify source.)	<u>\$5,200,000.00</u>	<u>\$ 0</u>

EVALUATION OF BID PROPOSALS

FOR: REQUIREMENTS CONTRACT FOR SIDE LOADING REFUSE TRUCKS

Bid File No.8813
Bid Opening:1/10/08

BIDDER'S	TOTAL NET BID AMOUNT
1. Fresno Truck Center 2727 E Central Ave Fresno, CA 93725	\$4,719,497.80
2. Golden State Peterbilt 4390 S Bagley Fresno, CA 93725	\$4,831,951.00
3. Central Valley Truck Center 2707 S East Street Fresno, CA 93725	\$4,850,820.07
4. Pape Material Handling, Inc. 3732 S Bagley Ave Fresno, CA 93725	\$5,196,318.56

Each bidder has agreed to allow the City sixty-two (62) days from date bids are opened to accept or reject their bid proposal. Purchasing requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Wednesday, February 6, 2008, 5:00 P.M.

The current contract pricing is 3 % above the previous contract pricing. If the overage is greater than 10% or only one bid was received, give explanation:

BACKGROUND OF PROJECT (To be completed by Evaluating Department/Division. Explain need for project/equipment):

Included in the Fleet Management Division FY 08 Replacement Program is the purchase of residential collection side loading refuse trucks for use by the Solid Waste Management Division of the Department of Public Utilities within the City of Fresno. Because a number of residential refuse trucks are replaced annually, it was determined that a requirements contract was the most cost-effective means of procurement.

The majority of trucks to be purchased under this contract will be replacement units for trucks that have reached the end of their economic life. The new trucks purchased under this contract will be equipped with the most advanced LNG powered engines and refuse collection body technology available resulting in the cleanest and most efficient operation possible. The new truck engines will emit 94% less ozone forming pollutants than the diesel powered trucks they replace. In addition, the use of LNG as fuel will result in a 61% cost savings verses current diesel fuel cost. The 20 unit quantity used for bidding purposes in the specifications represents the typical number of side loading refuse trucks planned for replacement over the next two years. The actual quantities of trucks replaced each year will be determined by the Council-approved appropriations in the Fleet Replacement budget for each fiscal year.

EVALUATION OF BID PROPOSALS

FOR: REQUIREMENTS CONTRACT FOR SIDE LOADING REFUSE TRUCKS

Bid File No.8813
Bid Opening:1/10/08

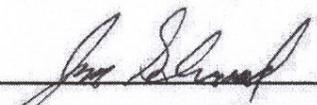
DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

Award a contract in the amount of \$ 4,719,497.80
to Fresno Truck Center
as the lowest responsive and responsible bidder.

Remarks:

Reject all bids. Reason:

Division Head Approval



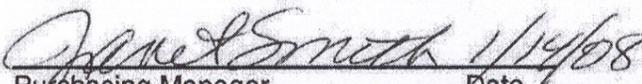
Title Fleet Manager

Date 01/14/2008

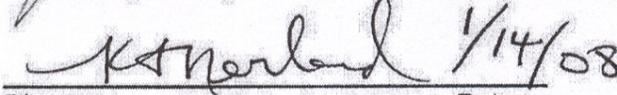
- | | |
|--|--|
| <input checked="" type="checkbox"/> Approve Dept. Recommendation | <input type="checkbox"/> Approve GSD/Purchasing Recommendation |
| <input type="checkbox"/> Disapprove | <input type="checkbox"/> Disapprove |
| <input type="checkbox"/> See Attachment | |

GENERAL SERVICES DEPARTMENT

CITY MANAGER


Purchasing Manager 1/14/08
Date


City Manager or Designee 1/14/08
Date


Director 1/14/08
Date