



AGENDA ITEM 6c
DATE 9-14-09

City Council Report

Date: September 14, 2009
To: City Council
Through: Bryan Raines, Deputy City Manager
From: Edward Quedens, Business Services Director
Subject: Purchase of Four (4) Replacement Heavy Duty Front Loading Refuse Trucks for the Solid Waste Department (Contract #2007196) (Fully Funded by FY 09/10 Replacement Fund) "Citywide" contract

Strategic Initiatives



Purpose and Recommendation

Council is requested to approve the Purchase of Four (4) Replacement Heavy Duty Front Loading Refuse Trucks as recommended. Contract pricing has been evaluated by the Fleet Services Department and the Purchasing Division.

The Purchasing Division recommends authorizing purchase from Rush Truck Center at \$1,117,580.24, including applicable sales tax.

Background/Discussion

Each of the front loading refuse trucks will be used in the collection of refuse from commercial bin customers throughout the City. All four (4) refuse trucks will be replacing trucks that have exceeded established criteria for replacement by Fleet Services. The retired trucks will be sold at auction.

Council previously awarded this contract to Rush Truck Center in February 2008. This contract includes the provision that the City may purchase additional units from this contract at the original bid price during the first 12 consecutive months, and also allows the City to extend the contract for 12 additional months in which the contractor may formulate an escalation factor to address additional market costs. The contractor escalation factor is 1.28% or \$3,201.91 each.

In addition, the current pricing offered for each truck has increased by \$4,683.12 (from last year), which is the total net increase for a Peterbilt chassis and a Vulcan scale. Pricing for other components such as the Heil waste body has remained the same as last year.

Staff is recommending approval before October 1, 2009. There are several price increases slated for orders placed after this date.

1. Heil waste body pricing will increase by \$6,000 to \$10,000.
2. Due to new 2010 diesel emission regulations, pricing for chassis equipped with new technology will increase the chassis price by \$8,000 to \$10,000. All vehicle manufacturers are required to conform to the 2010 diesel emission regulations for orders after October 1, 2009. Staff has determined that *all* manufacturers will be reflecting a chassis price of approximately \$8,000 to \$10,000 due to the installation of expensive new equipment.
3. Vehicles ordered before October 1, 2009 will be built with 2009 emissions for no additional price increases.

Alternatives

Council may choose not to authorize purchase from the contract and new bids will be obtained.

Fiscal Impact

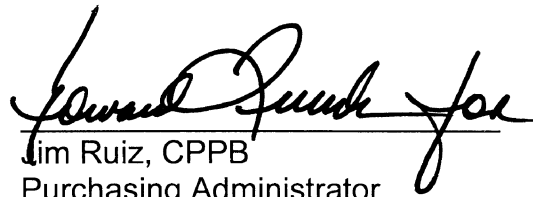
The total amount of \$1,117,580.24 is available in the Fleet Services Department's Vehicle Replacement Program budget.

Coordinated With

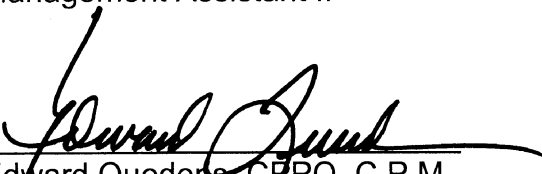
Fleet Services Department



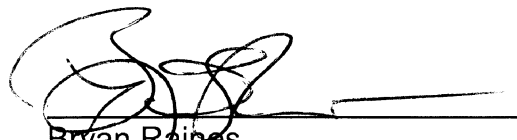
Pamela Chavez,
Management Assistant II



Jim Ruiz, CPPB
Purchasing Administrator



Edward Quedens, CFPO, C.P.M.
Business Services Director



Bryan Raines,
Deputy City Manager

**CITY OF MESA
RECOMMENDED PURCHASE
FOUR (4) HEAVY DUTY FRONT LOADER REFUSE TRUCKS
CONTRACT #2007196**

**Rush Truck Center
Phoenix, AZ**

Quantity	Description	Extended Price
4 each	2009 Heavy Duty Front Loading Refuse Truck to include, Peterbilt chassis, Vulcan manufactured Scale, Tungsten-Carbide Guide Shoes and Rails, 5-Year Replacement Camera Warranty, 5-Year Extended Transmission Warranty @ <div style="text-align: right;"> \$253,350.91 /each (base price) * \$2,617.12 /each (Peterbilt chassis) <u>\$2,066.00 /each (Vulcan scale)</u> \$258,034.03 Sub-Total \$21,245.34 8.3% Sales Tax (truck and chassis) <u>\$115.69 5.6% Use Tax (Vulcan scale)</u> \$279,395.06 </div>	\$1,117,580.24

* Includes 1.28% Price Escalation Factor @ \$3,201.91 each.