



Legislation Text

File #: 07-0920, **Version:** 1

Recommendation to adopt resolution authorizing City Manager to execute a contract with Haaker Equipment Company, for the purchase of twenty (20) Elgin Pelican Liquefied Natural Gas (LNG) fueled street sweepers per quote dated July 12, 2007, on the same terms and conditions as are afforded to the State of Oregon, in an amount not to exceed \$4,336,295, including tax, with and option to purchase additional street sweepers and with an option for a 10 percent contingency if funds are available. (Citywide)

City Council approval is being requested to enter into a contract for the purchase of twenty (20) Elgin Pelican LNG fueled street sweepers for the City of Long Beach Department of Public Works, Environmental Services Bureau, Street Sweeping Division.

The Street Sweeping Division is currently utilizing twenty (20) Elgin Pelican street sweepers that are scheduled to be replaced in Fiscal Year 2008. The new street sweepers will replace existing street sweepers that are four years old. The budgeted replacement cycle of a street sweeper is four years. These street sweepers are normally scheduled for replacement as part of the multi-year vehicle replacement plan. Since the street sweepers to be replaced are at an advanced age, managing maintenance costs and repair downtime is creating excessive inefficiencies.

The City Charter provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment and labor with other governmental agencies by purchasing under their contracts on a voluntary and selective basis when authorized by a Resolution of the City Council.

The Department of Public Works, Fleet Services Bureau, investigated procurement options and learned that the State of Oregon had completed a competitive bid process for Elgin Pelican street sweepers and has a purchase order with Haaker Equipment Company that meets the City's needs. This cooperative purchase agreement will facilitate the timely acquisition of the street sweepers and provide cost benefits to the City.

Haaker Equipment Company has agreed to sell twenty (20) Elgin Pelican LNG fueled street sweepers to the City of Long Beach under the same terms and conditions as are afforded to the State of Oregon in an amount not to exceed \$4,336,295, with an option to purchase additional street sweepers and an option for 10 percent contingency~if funds are available. The Matrix Fleet Review Study also supports the use of cooperative purchase agreements and adherence to a long-term replacement plan.

This matter was reviewed by Deputy City Attorney Lori A. Conway on July 30, 2007 and by Budget and Performance Management Bureau Manager David Wodynski on July 31, 2007.

City Council action is requested on August 14, 2007, to ensure that the street sweepers are built and

placed into service in 2008. The expected construction and delivery time of these new street sweepers is 240-270 days.

The purchase price of twenty (20) Elgin Pelican street sweepers is \$4,336,295, including tax. The total debt service (principal and interest) for the agreement will not exceed \$4,695,000 and will be financed over a four (4) year period at 3.91%. Of that amount, approximately \$1,173,000 will be paid in FY 08. Lease payments will be included in the annual budgets of the Fleet Services Fund (IS 386) and the Department of Public Works (PW), which will be supported through charges to the General Fund (GP) in the Department of Public Works (PW). The City will have the option of purchasing additional units and adding expenditures up to 10 percent (or \$433,629) above the contract amount, if necessary, and if funds are available.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO ACQUIRE TWENTY (20) ELGIN PELICAN STREET SWEEPERS, WITH THE OPTION TO PURCHASE ADDITIONAL ELGIN PELICAN STREET SWEEPERS, THROUGH THE CONTRACT BETWEEN THE STATE OF OREGON AND HAAKER EQUIPMENT COMPANY

CHRISTINE F. ANDERSEN
DIRECTOR OF PUBLIC WORKS

NAME
TITLE

APPROVED:

ANTHONY W. BATTS
CITY MANAGER