

**COUNCIL ACTION FORM**

**SUBJECT: FLEET ACQUISITION PROGRAM – FOR THE PURCHASE OF MEDIUM DUTY TRUCK CHASSIS**

**BACKGROUND:**

The City's fleet has two (2) digger derrick trucks, both used by our Electric Distribution Division. One of the existing digger derrick trucks, #409 is approved for replacement in FY 12/13 with a larger unit. On December 18, 2012 the City Council approved the purchase of a truck body, and digger derrick with accessories, to Altec Industries, Inc., of Saint Joseph, MO.

This bid is for the truck chassis the body and derrick will be mounted on.

The budget for this truck is \$253,640. Funding sources for the replacement of this truck are as follows:

|  |                                 |
|--|---------------------------------|
| Equipment Replacement Fund – Truck #409      | \$130,384 (balance on 10/31/12) |
| Electric Department Operating Budget FY12/13 | 95,000                          |
| Contributions to fund in coming months       | 8,256                           |
| Estimated salvage value for truck #409       | <u>20,000</u>                   |
| Total  | \$253,640                       |

Only one bid was received for the body and derrick, from Altec Industries, Inc. of St. Joseph, MO.

|  |                 |                     |
|--|-----------------|---------------------|
| Altec's quoted price for derrick, body & accessories | (\$153,424)     |                     |
| Estimated chassis purchase price                     | ( 89,500)       | (subject to 5% tax) |
| Tax  | <u>( 4,475)</u> |                     |
| Total  | (\$247,399)     |                     |

**Bids for the new truck chassis are as follows:**

| <b><u>Bidder</u></b>       | <b><u>Year</u></b> | <b><u>Make / Model</u></b> | <b><u>Bid</u></b> |
|----------------------------|--------------------|----------------------------|-------------------|
| Freightliner of Des Moines | 2014               | Freightliner M2106         | \$79,678          |
| O'Halloran International   | 2012               | International Workstar     | \$83,012          |
| Truck Country              | 2014               | Freightliner 108SD         | \$85,040          |
| Kenworth Mid-Iowa          | 2014               | Kenworth T370              | \$86,450          |
| Housby Mack                | 2014               | Mack                       | \$97,950          |

Evaluation of the bids determined the equipment offered complies with the specifications required by the City. The base bid from Freightliner of Des Moines for the chassis is acceptable.

**ALTERNATIVES:**

1. Award this bid to Freightliner of Des Moines for the chassis for \$79,678.
2. Reject the bid and re-bid.

**MANAGER'S RECOMMENDED ACTION:**

The Director of Fleet Services and Electric Department staff agree that purchasing the Freightliner M2106 Chassis from Freightliner of Des Moines will provide a quality machine to meet the established service requirements at a reasonable price.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No.1, thereby approving to award this bid to Freightliner of Des Moines for the chassis for \$79,678.