

**COUNCIL ACTION FORM**

**SUBJECT:**     **FLEET SERVICES – APPROVAL OF CHANGE ORDER TO EXTEND  
AERIAL BUCKET TRUCK LEASE**

**BACKGROUND:**

Technical Services, a division of the Electric Services Department, maintains the various substations in the City's electric distribution network. Technical Services has been leasing a low-profile aerial truck from NESCO Rentals, LLC of Bluffton, IN, since February 2013. While it originally was estimated that a 12 month lease was needed to complete the work under optimal weather conditions, provision was made for the lease to be extended for up to 18 months.

A wet spring delayed work and the continued use of the aerial truck was required. The City's Purchasing Policy allowed the City Manager to approve the lease of the truck for an additional four months. However, with two more months needed, the total lease cost will exceed \$50,000 which will required City Council approval. The total cost for the lease will now be as follows:

Paid to date	\$46,999.50 (includes freight to deliver)
<b>Lease Two Month Extension</b>	<b>\$ 6,099.00</b>
<b>Return Freight</b>	<b>\$ 2,600.00</b>
<b><u>Tax (not yet paid)</u></b>	<b><u>\$ 2,536.50</u></b>
Total	\$58,261.50

**Technical Services has \$11,262 remaining in its FY 13/14 existing equipment repair account that can be used to cover this added expense.**

**ALTERNATIVES:**

1. Approve the change order to extend the lease, including appropriate tax and freight, with NESCO, LLC. of Bluffton, IN for the aerial bucket truck for the full 18 months.
2. Do not approve the change order to extend the lease, and instruct staff to research other alternatives.

**MANAGER'S RECOMMENDED ACTION:**

The leased truck is very specific to the tasks of the operators and the confined workspace of the substations. Availability of this type of rental truck is limited because most units are currently in a lease, and are not that common. It took several months to find a suitable truck, and Fleet Services was placed on a waiting list until this truck became available.

Therefore, it is the recommendation of the City Manager, that the City Council adopt Alternative No. 1, thereby approving the change order to extend the lease, including appropriate tax and freight, with NESCO, LLC. of Bluffton, IN for the aerial bucket truck for the full 18 months.

**City Council recently approved the purchase of a similar aerial truck for Technical Services, which will conclude the need to lease this type of truck.**