

**COUNCIL ACTION FORM**

**SUBJECT: ELECTRIC PRODUCTION CRANE TRUCK RENTAL CHANGE ORDER**

**BACKGROUND:**

Currently Electric Production is renting a crane truck as the previous unit was taken out of service after being damaged. This truck with crane is used for lifting and relocating equipment needed to support operations at the City's Electric Power Plant.

A new crane truck has been ordered, but the rental will need to continue until the new vehicle is delivered. The original rental was done with an undetermined time specified. Now that the staff needs to extend the rental period longer, new rental quotes were obtained. Based on these new quotes it was determined that the existing rental company provided the lowest quote.

The original purchase order is for \$36,000 and we are extending it by 7.5 months which will bring the total to \$63,000. Rental terms will allow for ending the rental early if the delivery of the new truck occurs sooner than expected. The funding for this change order will come from accumulated escrow of the coal dozer which will not be replaced. Currently there is approximately \$358,000 of escrow for the coal dozer.

**ALTERNATIVES:**

1. Approve the change order to increase the purchase order to \$63,000.
2. Reject the change order and return the rental crane.

**MANAGER'S RECOMMENDED ACTION:**

Continuing this rental until delivery of the new truck is needed to provide critical services at the Power Plant.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.