

MEMORANDUM

TO: Steven D. Powers, City Administrator
FROM: Craig Hupy P.E., Public Services Administrator
DATE: August 31, 2015
SUBJECT: Request for Approval to Issue Emergency Purchase Order

On Friday, August 28th, bids for the rental of rear loading refuse trucks were opened in response to ITB #4401. The ITB was for a contract to rent eight 25 yard trucks, for 8 weeks minimum each, for three years with the option to renew the contract for three additional years. One bid was received, from Bell Equipment Company.

Due to a shortage of rental trucks in the market place for this year the trucks we requested were not available. Bell Equipment offered an alternative for this fall's rental. Because of a strong relationship between Bell Equipment and New Way Manufacturing, Bell Equipment was able to source six brand new 20 yard trucks from New Way Manufacturing. These are trucks New Way Manufacturing have built but have not yet sold. The rental for these trucks will be at a substantially higher cost then we have paid in the past due to the fact that these are new trucks, a three month minimum commitment requirement and the overall market shortage of rental trucks. The second and future years of the contract are more in line with our anticipated costs.

In addition, New Way is unable to commit that these trucks will be available for our use this fall without receiving a purchase order for the three month rental from the City as soon as possible.

Last year we spent approximately \$95,000.00 to rent eight trucks for fall compost collection, the proposed contract would raise that price to about \$107,000.00 for the fall of 2016. The cost to rent the six trucks this year will be \$169,200.00 which is based on New Way's requirement for a three month rental.

Under the City's Code, Chapter 14, Section 1:316, in the case of emergency, the City Administrator is authorized to issue an Emergency Purchase Order in amounts that exceed the limits that normal requires City Council approval. We cannot wait for the normal purchase order approval process to secure these trucks and insure that we have adequate equipment to collect compost material this fall.

We therefore request your approval to issue an Emergency Purchase Order to Bell Equipment Company for \$169,200.00 and will report the details of this to City Council at its next available meeting.

Approved


Steven D. Powers, City Administrator

Date September 1, 2015