



## Legislation Text

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**File #:** 15-1103, **Version:** 1

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Resolution to Ratify City Administrator Approval of Emergency Purchase Order, Appropriate Funds from Solid Waste Fund's Fund Balance (\$74,200.00), and Approve a Contract with Bell Equipment Company, for Rental of Refuse Trucks (\$438,926.00) (ITB # 4401) **(8 Votes Required)**

The attached resolution seeks ratification of the City Administrator's authorization of an emergency purchase order pursuant to the authority granted him under Section 1:317(1) of the Ann Arbor City Code, authorizes the appropriation of funds, and authorizes a 31-month contract in the amount not to exceed \$438,926.00 with Bell Equipment Company, for the rental of refuse trucks.

On Friday, August 28, 2015, bids for the rental of rear loading refuse trucks for compost collection were opened in response to ITB #4401. The ITB was for a contract to rent eight 25 yard rear loading refuse trucks, for eight weeks minimum each, for three years with the option to renew the contract for three additional one year periods. One bid was received, from Bell Equipment Company.

Due to a shortage of rental trucks in the market place, the trucks we require for the fall compost collection this year 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 than 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 was 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. Therefore to insure that we had adequate equipment to collect the anticipated increase in fall compost material, we could not wait for the normal contract approval process. On September 1, 2015, in accordance with Section 1:317(1) of the Ann Arbor City Code, the City Administrator authorized an emergency purchase order for this year's three month rental of trucks. A copy of that authorization is attached.

Adequate funds are available in the Solid Waste Fund's fund balance to cover the additional cost for renting trucks this year over the original budgeted amount. The price to rent the six trucks this year is \$169,200.00 which exceeds the budgeted estimate by \$74,200.00.

The contract will start on October 1, 2015 and run through June 30, 2018. In the first year of the contract the cost to rent trucks for fall compost collection is the \$169,200.00 listed above. In the second year (FY 2017) the cost to rent trucks reverts to a cost more in line with the amount we have paid in the past; the cost to rent eight 25 yard rear loading trucks for the normal eight weeks will be \$107,120.00 plus a contingency of two additional weeks of rental at \$25,750.00 for a total of \$132,870.00. The contract calls for a 3% increase each year which brings the rental cost for the third year (FY 2018) to \$136,856.00 including the contingency for two additional weeks of rental.

This resolution also authorizes an option to extend the contract with Bell Equipment Company for up to three additional one-year periods with a yearly increase of up to 3% each year, upon approval by the City Administrator, for a total amount not to exceed \$874,622.00 over the life of the contract including all renewals, with the same terms and conditions subject to the annual appropriation of funds.

With the appropriation of funds from Solid Waste Fund's fund balance, funding for the rental is available in the FY 2016 operating budget of the Public Services Area. Funding for subsequent years will be included in future budgets.

Bell Equipment Company complies with the requirements of the City's non-discrimination ordinances.  
Prepared by: Thomas A Gibbons, Financial Analyst - Fleet & Facility Unit  
Reviewed by: Matthew J. Kulhanek, Fleet & Facility Manager and Craig Hupy, Public Services Administrator  
Approved by: Steven D. Powers, City Administrator

Whereas, The City of Ann Arbor will needed to rent rear load refuse trucks for use in the fall compost collection program;

Whereas; Market conditions this year have severely limited the number of rental refuse trucks available, requiring the City to lock in the rental of trucks as soon as possible;

Whereas, Public Services requested approval of a purchase order for the rental of six trucks from the City Administrator under his emergency purchasing authority granted under Section 2:317(1) of the Ann Arbor City Code;

Whereas, The City Administrator authorized the request on September 1, 2015, having been fully apprised of the urgency of this request;

Whereas, The limited number and type of refuse trucks available has drastically increase the cost of renting truck this year;

Whereas, Adequate funds for the additional cost of \$74,200.00 to rent the refuse trucks this year is available in the Solid Waste Fund's fund balance for appropriation to the FY 2016 Public Services Area operating budget to be able to fund this year's rental;

Whereas, Bell Equipment Company was the sole responsible bidder for rental of refuse truck in ITB # 4401;

Whereas, The Public Services Area recommends approval of a 31-month contract with Bell Equipment, starting October 1, 2015, with the option to extend the contract for three additional one-year periods under the same terms and conditions; and

Whereas, Bell Equipment Company complies with the requirements of the City's non-discrimination ordinance;

**RESOLVED**, That the rental purchase order with Bell Equipment Company in the amount of \$169,200.00 for the emergency rental of rear-load refuse trucks be ratified and authorized;

RESOLVED That the City Council approves an amendment to the FY 2016 Field Operations Unit budget by appropriating \$74,200.00 from the Solid Waste Fund Balance, for the increase cost for refuse truck rentals this year;

RESOLVED, That City Council approve a contract, per ITB # 4401, with Bell Equipment Company with the amount not to exceed \$169,200.00 in FY 2016, not to exceed \$132,870.00 in FY 2017, and not to exceed \$136,856.00 in FY 2018;

RESOLVED, That the contract include the option to extend the contract for three additional one-year periods at a 3% increase per year upon approval by the City Administrator, for a total not to exceed \$874,622.00 over the life of the contract including renewals;

RESOLVED, That the cost of truck rentals be funded from the amended FY 2016 Public Service Area operating budget, that the remaining years, including extensions, be funded from the FY 2017, FY 2018, FY 2019, FY 2020, and FY 2021 Public Services Area's operating budgets if so approved by Council;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said contract after approval as to substance by the City Administrator and approval as to form by the City Attorney, and that the City Administrator be authorized to execute the extensions after approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized to take all necessary actions to implement this resolution.