TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: PUBLIC WORKS
DATE: JULY 10, 2006 CMR:287:06

SUBJECT: APPROVAL OF REVISION NO. 1 TO PURCHASE ORDER 4504003179 WITH ALTEC INDUSTRIES, INC. IN THE AMOUNT OF $3,800 TO ENABLE PAYMENT FOR MINOR CHANGES TO TWO DIGGER DERRICK TRUCKS CURRENTLY UNDER CONSTRUCTION

RECOMMENDATION
Staff recommends that Council approve and authorize the City Manager or his designee to negotiate and execute a revision to purchase order 4504003179 with Altec Industries, Inc. for related, additional work, the total value of which shall not exceed $3,800. This revision amount represents 2.4 percent of the original contract amount of $412,539.

BACKGROUND
On April 25, 2005, Council approved a purchase order for the purchase of two digger derrick trucks (Attachment A, CMR 214:05). At the time of purchase order award, staff felt that the design and specifications for the digger derricks were complete, and that no changes would be necessary. No contingency funds were originally designated for this purchase order.

DISCUSSION
During the construction of a complex piece of equipment such as a digger derrick, staff will conduct one or more inspections to insure that the project is constructed in accordance with the City’s specifications. Although the design and specifications for these vehicles were thoroughly reviewed by both Public Works and Utilities staff prior to construction, a physical inspection conducted on June 8, 2006 revealed unanticipated issues that will require additional work. Staff noted 23 minor items that needed to be added, changed or modified. The total cost to make these changes and modifications to both trucks is $3,800.

RESOURCE IMPACT
Funds have been budgeted for this contract in the FY 2006-07 Public Works Department Vehicle and Equipment Replacement budget.

POLICY IMPLICATIONS
Authorization of this change order does not represent any change to the existing policy.

ENVIRONMENTAL REVIEW
The equipment that will be purchased employs emissions-reduction technology that will result in a significantly lower level of emissions.
ATTACHMENTS
Attachment A: CMR:214:05

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