TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: PUBLIC WORKS
DATE: AUGUST 7, 2006 CMR:326:06

SUBJECT: APPROVAL OF AMENDMENT NO. ONE TO EXISTING PURCHASE ORDER 4506000261 WITH MUNICIPAL MAINTENANCE EQUIPMENT INC. IN THE AMOUNT OF $406,988 FOR THE PURCHASE OF TWO COMPRESSED NATURAL GAS-FUELED STREET SWEEPERS

RECOMMENDATION
Staff recommends that Council approve and authorize the Mayor to execute a purchase order with Municipal Maintenance Equipment Inc. in the amount of $406,988 for the purchase of two compressed natural gas (CNG) fueled street sweepers.

DISCUSSION
Equipment Management’s current vehicle and equipment replacement workplan includes the replacement of two street sweepers. These pieces of equipment are at the end of their useful life.

The two street sweepers are ideal candidates for CNG fuel systems. CNG-fueled street sweepers produce less exhaust emissions than their diesel-fueled counterparts. The street sweepers being replaced each employ two diesel engines that consume approximately 3,500 gallons of fuel annually. They also operate on routes that bring them in close proximity to populations particularly sensitive to diesel exhaust. In addition to lower exhaust emissions, the fuel cost for the new CNG sweepers will be much lower, since the current cost for CNG fuel is less than half that of diesel.

Equipment Management was successful in obtaining $136,000 in grant funding from the Bay Area Air Quality Management District (CMR 338:05) to offset a portion of the purchase cost of these vehicles. The net cost to the City after this reimbursement will be $270,988.

The street sweepers to be purchased are identical to one purchased in FY 2005-06 through a competitive bid process. Municipal Maintenance Equipment Inc. has indicated that they will extend the pricing offered on that purchase order (4506000261) to this purchase.

RESOURCE IMPACT
In addition to $136,000 in grant funding, funds have been budgeted for this purchase order in the FY 2006-07 Public Works Department Vehicle and Equipment Replacement budget.
**POLICY IMPLICATIONS**
This recommendation is consistent with existing City policies, including the Council’s Sustainability Policy. This project furthers Policy N-27 and Program N-40 of the Comprehensive Plan.

**ENVIRONMENTAL REVIEW**
The equipment purchase does not constitute a project for purposes of CEQA, there is no environmental review required.

**ATTACHMENTS**
Attachment A: Certification of Nondiscrimination

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Director of Public Works

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