TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: PUBLIC WORKS
DATE: SEPTEMBER 11, 2006 CMR:351:06
SUBJECT: APPROVAL OF REVISION NO. 2 TO PURCHASE ORDER 4504003179 WITH ALTEC INDUSTRIES, INC. FOR AN ADDITIONAL AMOUNT OF $3,800 TO ENABLE PAYMENT FOR MINOR CHANGES TO THE SECOND DIGGER DERRICK TRUCK CURRENTLY UNDER CONSTRUCTION

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

BACKGROUND
On July 10, 2006, Council approved a revision to the purchase order in the amount of $3,800 (CMR:287:06, Attachment A) which represents the cost per truck. Previously, Council approved a purchase order for the purchase of two digger derrick trucks (CMR:214:05).

DISCUSSION
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.

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

ENVIRONMENTAL REVIEW
The equipment purchase does not constitute a project for purposes of CEQA, there is no environmental review required. This change order is not considered a project under the California Environmental Quality Act (CEQA) and an environmental review is not required.

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

ATTACHMENTS
Attachment A: CMR:287:06