TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DEPARTMENT: PUBLIC WORKS

DATE: DECEMBER 5, 2005

SUBJECT: APPROVAL OF A PURCHASE ORDER WITH PETERSON TRACTOR COMPANY IN THE AMOUNT OF $940,755 FOR THE PURCHASE OF A WASTE-HANDLING (LANDFILL) COMPACTOR AND WASTE-HANDLING CRAWLER-DOZER

RECOMMENDATION
Staff recommends that Council approve and authorize the City Manager or his designee to execute a purchase order with Peterson Tractor Company in the total amount of $940,755 for the purchase of a waste-handling (landfill) compactor costing $449,859 and a waste handling crawler-dozer costing $490,896.

DISCUSSION
Equipment Management’s current vehicle and equipment replacement workplan includes the replacement of a landfill compactor and crawler-dozer. Both of these pieces of equipment are at the end of their useful life.

The City’s existing compactor and crawler-dozer are very large and powerful pieces of equipment; each weighs more than 80,000 pounds. A landfill compactor’s sole purpose is to spread and compact garbage at the landfill. Compaction extends the life of the landfill, and reduces the potential for vectors, fires, leachate, settlement and wind blown litter. The crawler-dozer is used to assist the compactor in pushing and spreading garbage; to spread soil cover over the garbage as required by state mandates; to create roads and drainage; to assist in making winter unloading pads; to assist in turning and aerating compost windrows; to assist in fighting landfill fires; to assist in the placement and removal of a tarp to the working face at the start and end of each day, and to compact the cover soil to reduce the potential for erosion. The compactor and crawler-dozer are integral to the landfill operation.

The City has standardized on Caterpillar waste-handling equipment in accordance with the provisions of section 2.30.900 of the Palo Alto Municipal Code (PAMC). This section authorizes the City Manager to permit standardization on supplies, materials or equipment and to specify a single brand name where significant cost savings have been demonstrated or it is required for the health, safety or welfare of the City.

The determination to standardize on Caterpillar waste-handling equipment was based on cost savings associated with the following factors:

- Minimization of repair and maintenance expenditures;
• Reduced requirements for operation and maintenance training; and
• Reduction in spare parts inventory.

Other factors were considered as well, such as staff’s previous experience with Caterpillar equipment, and the traditionally higher resale value of Caterpillar products. A detailed description of all of the factors that lead to this determination is provided in Attachment “A.”

Peterson Tractor is the only authorized Northern California distributor for Caterpillar waste-handling equipment. Accordingly, this purchase is exempt from the competitive solicitation pursuant to PAMC section 2.30.360(d). Peterson is proposing pricing that is indexed to the State of California’s “Multiple Award Schedule” (CMAS) program. This pricing is representative of pricing offered to other government agencies.

**RESOURCE IMPACT**
Funds have been budgeted for this contract in the FY 2005-06 Public Works Department Vehicle and Equipment Replacement budget.

**POLICY IMPLICATIONS**
Authorization of this purchase order does not represent any change to existing City policy.

**ENVIRONMENTAL REVIEW**
The equipment being purchased will produce substantially less exhaust emissions than the equipment it will replace.

**ATTACHMENTS**
Attachment A: Detailed Basis for Sole-Source Purchase of Landfill Equipment
Attachment B: Certificate of Non-Discrimination

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