TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: PUBLIC WORKS

DATE: DECEMBER 5, 2005 CMR:424:05

SUBJECT: APPROVAL OF A PURCHASE ORDER WITH DITCH WITCH SALES BAY AREA, INC. IN THE AMOUNT OF $299,238 FOR THE PURCHASE OF TWO DIRECTIONAL BORING MACHINES

RECOMMENDATION
Staff recommends that Council approve and authorize the City Manager or his designee to execute a purchase order with Ditch Witch Sales Bay Area, Inc. in the amount of $299,238 for the purchase of two directional boring machines.

DISCUSSION
The current vehicle and equipment replacement workplan includes the replacement of two directional boring machines. One is being replaced because it is at the end of its useful life; the other is being replaced because it no longer meets the needs of the using department.

The City has standardized on Ditch Witch directional boring machines 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 Ditch Witch directional boring machines was based on the following factors:

- Minimization of repair and maintenance costs;
- Reduced requirements for operation and maintenance training;
- Reduction in tooling inventory

A detailed description of all of the factors that lead to this determination is provided in Attachment “A.”

Ditch Witch Bay Area is the only authorized Northern California distributor for Ditch Witch directional boring equipment. Accordingly, this purchase was exempt from competitive solicitation pursuant to PAMC section 2.30.360 (d). Ditch Witch Bay Area is proposing pricing that is indexed to Federal General Services Administration (GSA) contract pricing. 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 complies with all Federal and State emissions standards, and the City’s Noise Ordinance.

ATTACHMENTS
Attachment A: Detailed Basis for Standardization on Ditch Witch Directional Boring Machines
Attachment B: Certificate of Non-Discrimination

PREPARED BY:    __________________________________
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