Summary Title: Award of Purch Order for Forklift and Walk-In Van

Title: Adoption of a Budget Amendment Ordinance in the Amount of $135,618 to Fund the Purchase of a Walk-In Van and a Forklift; Approval of Purchase Orders with 1) Golden Gate Truck Center in an Amount Not to Exceed $80,726 for the Purchase of a Walk-In Van; and 2) Big Joe Handling Systems in an Amount Not to Exceed $54,892 for the Purchase of a Forklift (Scheduled Vehicle and Equipment Replacement Capital Improvement Program Project VR-11000)

From: City Manager

Lead Department: Public Works

Recommendation
Staff recommends that Council:

1. Approve the attached Budget Amendment Ordinance (BAO) in the amount of $135,618 (Attachment A) to provide an appropriation for the purchase of a Walk-in Van and a Forklift;

2. Approve and authorize the City Manager to execute a purchase order with Golden Gate Truck Center in the amount of $80,726 for the purchase of a Walk-In Van; and

3. Approve and authorize the City Manager to execute a purchase order with Big Joe Handling Systems in the amount of $54,892 for the purchase of an 8,000 pound Forklift.

DISCUSSION
The vehicle and equipment replacement policy described in City Policy and Procedures 4-1 (Vehicle and Equipment Use, Maintenance, and Replacement), provides for the on-going replacement of City fleet vehicles and equipment. Replacements are scheduled using guidelines based on age, mileage accumulation, and obsolescence.

Walk-In Van
The City’s fleet currently includes a number of walk-in (step) vans, which are used for various purposes by both the Utilities and Administrative Services departments. The van that is the subject of this acquisition (#1248) is used by the Warehouse Section of the Administrative Services Department. Vehicle #1248 is assigned to Class 05 (light trucks 6,000 – 11,000 pounds gross vehicle weight). Policy 4-1 prescribes a replacement
interval for Class 05 vehicles of eight years or 80,000 miles. The existing replacement guidelines are outdated and will be extended in the next revision to the Policy. Modern light trucks are more reliable than their predecessors and should last at least ten years or 100,000 miles without requiring major repairs. The van that is being used by the Stores section is 13 years old and has accumulated 175,000 miles. In addition to exceeding the criteria for age and mileage, it has become less than adequate for its intended use. Over the years, Stores has been tasked with transferring increasing amounts of library books between branches. These books and some other types of cargo (such as pallets of paper) are very heavy, and frequently exceed the carrying capacity of the existing vehicle. The replacement vehicle will be constructed on a medium-duty (14,000 pound gross vehicle weight) chassis, and will have adequate carrying capacity for existing and future needs. In addition, it is designed to last at least 15 years.

8,000 Pound Forklift
The City’s fleet currently includes six forklifts, which are used for various purposes by Utilities, the Water Quality Control Plant and Administrative Services. The forklift that is the subject of this acquisition (#4617) is one of two used by the Water Quality Control Plant. Unit #4617 is used to move bags of barscreen screenings, bins of grit, and for other general material handling duties at the plant. Policy 4-1 prescribes a replacement interval for forklifts of 10-15 years. The existing replacement guidelines for forklifts are adequate, since equipment life can vary widely depending on utilization and whether the equipment is used indoors or outdoors. Typically, forklifts used outdoors will deteriorate from weathering before they experience substantial wear and tear from usage. Unit #4617 is 19 years old and is currently out of service due to its need for major repairs. The Water Quality Control Plant is renting a forklift until the replacement unit arrives. The replacement forklift will be identical in size and capacity to the unit being replaced.

Audit of Vehicle Utilization and Replacement
Both of these purchases are being conducted with full consideration for the recent Audit of Vehicle Utilization and Replacement. The vehicles being replaced through this purchase have on average greatly exceeded the minimum mileage accumulation of 2,500 miles or 50 usage hours annually.

The Fleet Review Committee (FRC) approved the replacement of the Walk-In Van on November 17, 2010 and the forklift on March 11, 2011 in accordance with the audit recommendations. The approval was based on:

- An examination of each vehicle’s current usage;
- An analysis of each vehicle’s operating and replacement costs;
- A comparison of the age, mileage, operating cost and performance of each vehicle with others in the class; and
• An analysis of alternatives to ownership, such as mileage reimbursement; pooling/sharing; the reassignment of another underutilized vehicle, or renting.

The FRC determined that there are no alternatives to outright replacement. The walk-in van is used on a continuous daily basis for the delivery of supplies and materials. The forklift is used on a daily basis at the Water Quality Control Plant and is not easily transportable to other sites.

These factors preclude their assignment to a motor pool, and the application in which each is employed rules out the use of a private vehicle with mileage reimbursement. They are each used on-a-continuous daily basis, or are at remote locations, so there are no opportunities for sharing. There are no similar, underutilized vehicles available to use as replacements for these vehicles. Because these vehicles are used continuously throughout the year, renting them would not be a cost-effective option.

**Bidding and Selection Process**

**Walk-In Van**
A Request for Quotation (RFQ) for a Walk-In Van was sent to four vendors on February 7, 2011. Bids were received from two qualified vendors on March 1, 2011, as listed on the attached bid summary (Attachment B). Bids ranged from a high of $78,907 to a low bid of $66,671. The total bid price did not include the cost of an optional cargo ramp ($1,819), which will be included in the final purchase order.

The bid from Diamond Sales and Service was the lowest; however, the vehicle they proposed did not meet specifications and the proposal was rejected on that basis.

Staff has reviewed all bids submitted and recommends that the bid submitted by Golden Gate Truck Center be accepted and that Golden Gate Truck Center be declared the lowest responsible bidder.

Staff has checked references supplied by the vendor for previous contracts and has found no significant complaints.

**Forklift**
A Request for Quotation (RFQ) for an 8,000 pound forklift was sent to five vendors on March 11, 2011. Bids were received from five qualified vendors on March 22, 2011, as listed on the attached bid summary (Attachment B). Bids ranged from a high of $67,775 to a low bid of $54,892.

Staff has reviewed all bids submitted and recommends that the bid submitted by Big Joe Handling Systems be accepted and that Big Joe Handling Systems be declared the lowest responsible bidder.
Staff has checked references supplied by the vendor for previous contracts and has found no significant complaints.

**Resource Impact**
The attached Budget Amendment Ordinance will provide for the transfer of funding from the Vehicle Replacement Fund Reserve into the current year’s Scheduled Vehicle and Equipment Replacement CIP (VR-11000).

**Policy Implications**
Authorization of the contract does not represent any change to the existing policy.

**Environmental Review**
The vehicles being supplied are in conformance with all applicable emissions laws and regulations. Accordingly, this purchase is exempt from the California Environmental Quality Act under the CEQA guidelines (Section 15061).

**Attachments:**
- BAO - VR11000 Fork Lift (DOC)
- Bid Summary - Walk-in van and forklift (PDF)

Prepared By: Keith LaHaie, Fleet Manager

Department Head: J. Michael Sartor, Interim Director

City Manager Approval: James Keene, City Manager
ORDINANCE OF THE COUNCIL OF THE CITY OF PALO ALTO
AMENDING THE BUDGET FOR THE FISCAL YEAR 2011 TO PROVIDE
AN ADDITIONAL APPROPRIATION OF $135,618 TO CAPITAL
IMPROVEMENT PROGRAM PROJECT NUMBER VR-11000, SCHEDULED
VEHICLE AND EQUIPMENT REPLACEMENT FOR THE PURCHASE OF A
WALK-IN VAN AND A FORKLIFT

The Council of the City of Palo Alto does ordain as follows:

SECTION 1. The Council of the City of Palo Alto finds and
determines as follows:

A. Pursuant to the provisions of Section 12 of Article
III of the Charter of the City of Palo Alto, the Council on
June 28, 2010 did adopt a budget for fiscal year 2011; and

B. City policy on vehicle and equipment replacement
provides for the on-going replacement of City fleet vehicles
and equipment. Replacements are scheduled using guidelines
based on age, mileage accumulation, and obsolescence. The
City’s fleet currently includes a number of walk-in (step)
vans, which are used for various purposes by both the
Utilities and Administrative Services departments. The van
that is the subject of this acquisition (#1248) is used by the
Warehouse Section of the Administrative Services Department.
The van that is being used by the Stores section is 13 years
old and has accumulated 175,000 miles; and

C. The City’s fleet currently includes six forklifts,
which are used for various purposes by Utilities, the Water
Quality Control Plant and Administrative Services. The
forklift that is the subject of this acquisition (#4617) is
one of two used by the Water Quality Control Plant. Unit
#4617 is 19 years old and is currently out of service due
to its need for major repairs. The Water Quality Control
Plant is renting a forklift until the replacement unit
arrives; and

D. The Fleet Review Committee (FRC) approved the
replacement of the Walk-In Van on November 17, 2010 and the
forklift on March 11, 2011 in accordance with the audit
recommendations; and
E. A Request for Quotation (RFQ) for a Walk-In Van was sent to four vendors on February 7, 2011. Bids were received from two qualified vendors on March 15, 2011. Staff has reviewed all bids submitted and recommends that the bid in the amount of $80,726 submitted by Golden Gate Truck Center will be accepted; and

F. A Request for Quotation (RFQ) for an 8,000 pound forklift was sent to five vendors on March 11, 2011. Bids were received from five qualified vendors on March 22, 2011. Staff has reviewed all bids submitted and recommends that the bid in the amount of $54,892 submitted by Big Joe Handling Systems be accepted; and

G. City Council authorization is needed to amend the 2011 budget as hereinafter set forth.

SECTION 2. The sum of One Hundred Thirty Five Thousand Six Hundred Eighteen Dollars ($135,618) is hereby appropriated to CIP Project Number VR-11000.

SECTION 3. The Vehicle Replacement Fund Reserve is hereby reduced by One Hundred Thirty Five Thousand Six Hundred Eighteen Dollars ($135,618) to Five Million Seven Hundred Twenty Thousand One Hundred Fifteen Dollars ($5,720,115).

SECTION 4. As specified in Section 2.28.080(a) of the Palo Alto Municipal Code, a two-thirds vote of the City Council is required to adopt this ordinance.

SECTION 5. As provided in Section 2.04.330 of the Palo Alto Municipal Code, this ordinance shall become effective upon adoption.

SECTION 6. The vehicles being purchased are in compliance with all applicable emissions laws and regulations. Accordingly, this purchase is exempt from the California Environmental Quality Act under the CEQA guidelines (Section 15061).

INTRODUCED AND PASSED:

AYES:
NOES:
ABSTENTIONS:
ABSENT:
ATTEST:

APPROVED:

City Clerk

Mayor

APPROVED AS TO FORM:

City Manager

Director of Public Works

Director of Administrative Services
### BID SUMMARY

**Walk-In Van**

<table>
<thead>
<tr>
<th>Company</th>
<th>Bid Total</th>
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<tr>
<td>Golden Gate Truck Center</td>
<td>$78,907.35</td>
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<tr>
<td>Diamond Sales and Service</td>
<td>$66,671.43*</td>
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*Proposal did not meet specifications*

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### BID SUMMARY

**8,000 Pound Forklift**

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<tr>
<th>Company</th>
<th>Bid Total</th>
</tr>
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<tbody>
<tr>
<td>Sunrise Forklift, Inc.</td>
<td>$67,775.42</td>
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<tr>
<td>Cromer Equipment</td>
<td>$66,433.76</td>
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<td>Komatsu Forklift of Northern California</td>
<td>$62,892.25</td>
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<tr>
<td>Toyota Material Handling</td>
<td>$61,520.86</td>
</tr>
<tr>
<td>Big Joe California North</td>
<td>$54,891.57</td>
</tr>
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