

FINANCIAL IMPACT STATEMENT

For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator John Hunt, CityFleet Manager		2. Telephone No. (503) 823-4302	3. Bureau/Office/Dept. OMF/ Bureau of Internal Business Services/ CityFleet
4a. To be filed (date)	4b. Calendar (Check One) Regular Consent 4/5ths X <input type="checkbox"/> <input type="checkbox"/>	5. Date Submitted to FPD Budget Analyst:	

1) Legislation Title:

*Authorize a contract and provide for payment to furnish replacement dump trucks at \$1,190,000. (Ordinance)

2) Purpose of the Proposed Legislation:

The purpose of this ordinance is to authorize CityFleet to procure replacement vehicles in accordance with City Code 5.33. There are seven 12/15 yard dump trucks that are scheduled for life-cycle replacements by CityFleet for the Bureau of Environmental Services and Water Bureau. The estimated cost to replace the seven dump trucks is \$1,190,000 (\$170,000 per unit).

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source.

This request does not impact City revenues.

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years) (If the action is related to a grant or contract please include the local contribution or match required)

This action is estimated to cost the CityFleet replacement fund \$1,144,000 in FY 2011. The Water Bureau and Bureau of Environmental Services pay for capital replacement in the respective fund budgets and not through the CityFleet vehicle replacement in the interagency with CityFleet. This purchase is appropriated as a FY 2011 capital expense in the respective funds. There is no estimated increase in ongoing operations or maintenance for these replacement vehicles for Bureaus for this purchase.

The cost to delay this purchase could be significant. Retaining vehicles beyond the economic life-cycle leads to costly repairs and lowers salvage values. This would affect the Portland Bureau of Environmental Services and Water Bureau expenses for regular repairs and maintenance and could be outside the FY 2011 Adopted Budget amounts.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? *(If new positions are created please include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term please indicate the end of the term.)*


No additional staffing is required for this request.

6) Will positions be created or eliminated in future years as a result of this legislation?

This action does not impact future staffing levels.

Complete the following section only if an amendment to the budget is proposed.

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Center Code column if new center needs to be created. Use additional space if needed.)*


Jeff Baer, Director, Bureau of Internal Business Services

APPROPRIATION UNIT HEAD (Typed name and signature)



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE
Sam Adams, Mayor
Kenneth L. Rust, Chief Administrative Officer
Jeffrey B. Baer, Director, Bureau of Internal Business Services

CityFleet

John Hunt, Manager
City Fleet
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Portland, Oregon 97227
(503) 823-2277
FAX (503) 823-4374
TTY (503) 823-6868

DATE: AUGUST 20, 2010

TO: MAYOR SAM ADAMS

FROM: JEFFREY BAER, DIRECTOR
BUREAU OF INTERNAL BUSINESS SERVICES/OMF

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

184125

RE: Authorize a contract and provide for payment to furnish replacement dump trucks at \$1,190,000. (Ordinance)

1. **INTENDED THURSDAY FILING DATE:** SEPTEMBER 9, 2010
2. **REQUESTED COUNCIL AGENDA DATE:** SEPTEMBER 15, 2010
3. **CONTACT NAME & NUMBER:** JEFFREY BAER, DIRECTOR, 503-823-6852
4. **PLACE ON:** CONSENT X REGULAR
5. **BUDGET IMPACT STATEMENT ATTACHED:** X Yes No N/A
6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** Yes No X N/A

7. BACKGROUND/ANALYSIS

CityFleet has reviewed the 2011 replacement schedule and the condition of Bureau of Environmental Services and Water Bureau 12-15 yard dump trucks and has determined that the vehicles requested are appropriate. The estimated cost of these dump trucks is \$170,000 per truck, or \$1,190,000 for all seven.

8. FINANCIAL IMPACT

BES has four dump trucks scheduled for life-cycle replacement, and the estimated cost to replace them is \$680,000. Water Bureau has three to be replaced, at the estimated cost of \$510,000.

9. RECOMMENDATION/ACTION REQUESTED

CityFleet recommends approval and requests Council authorization to procure these vehicles.

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To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.