

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) May 19, 2011 | 4b. Calendar (Check One) Regular Consent 4/5ths <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> | 5. Date Submitted to FPD Budget Analyst: |

1) Legislation Title:

Accept report to authorize contract and provide payment to replace ten 15-cubic yard dump trucks at \$1,643,394.00 (Report)

2) Purpose of the Proposed Legislation:

The purpose of this report is to authorize City Fleet to procure replacement vehicles in accordance with City Code 5.33. There are ten 15-cubic 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 ten dump trucks is \$1,643,394.00.

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 \$489,045.00 in the Water Fund and \$1,106,833.00 in the Environmental Service Fund to purchase the dump trucks in FY 2011. The Water Bureau and Bureau of Environmental Services pay for capital replacement from their respective fund budgets. The PBOT-Maintenance Fund will pay \$47,516.00 for components required to ensure snow equipment compatibility with the new trucks. 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

Christine Moody
Chief Procurement Officer
Procurement Services
1120 S.W. Fifth Avenue, Rm. 750
Portland, Oregon 97204-1912
(503) 823-5047
FAX (503) 823-6865
TTY (503) 823-6868

Date: May 12, 2011

To: Mayor Sam Adams

From: Christine Moody, Chief Procurement Officer

RE: Accept report to authorize contract and provide payment to replace ten 15-cubic yard dump trucks at \$1,643,394.00 (Report)

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

1. INTENDED THURSDAY FILING DATE: May 19, 2011
2. REQUESTED COUNCIL AGENDA DATE: May 25, 2011
3. CONTACT NAME & NUMBER: Christine Moody, (503)823-1095
4. PLACE ON X CONSENT _____ REGULAR
5. BUDGET IMPACT STATEMENT ATTACHED: X YES _____ NO _____ N/A
6. ONE ORIGINAL COPY OF CONTRACT APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED: _____ YES _____ NO X N/A

7. BACKGROUND/ANALYSIS

The Office of Management and Finance, Business Operations, City Fleet Services division is responsible for replacing all City used vehicles based upon an annual replacement plan. Fleet Services has reviewed the current replacement schedule and the condition of the vehicles utilized by the Bureau of Environmental Services and the Water Bureau, and determined that ten 15-cubic yard dump trucks need to be replaced. Council passed Ordinance 184121 authorizing the purchase of seven vehicles and Ordinance 184509 authorizing the purchase of three vehicles.

On August 19, 2010, Procurement Services advertised a formal price solicitation under Invitation to Bid No. 112158 for 15-Cubic Yard Dump Trucks. A total of five bids were opened on August 31, 2010 and Brattain International Trucks was deemed to be the responsive responsible bidder to the requirements of the solicitation.

Brattain International Trucks is located in Portland, Oregon, has a current City of Portland business license, is EEO certified through February 22, 2013 and is Full Compliance with the City's Equal Benefits Ordinance. Brattain International Trucks is not an Oregon state certified M/W/ESB contractor. Fleet Services' level of confidence is optimal.

8. FINANCIAL IMPACT

The Water Bureau and Bureau of Environmental Services pay for capital replacement from their respective fund budgets: this purchase will use \$489,045.00 from the Water Bureau fund and \$1,106,833.00 from the Bureau of Environmental Services fund. The Portland Bureau of Transportation-Maintenance fund will pay \$47,516.00 for components required to ensure snow

An Equal Opportunity Employer

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.

equipment compatibility with the new trucks. The purchase of the ten vehicles 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. The total cost to replace ten 15-cubic yard dump trucks is \$1,643,394.00.

9. RECOMMENDATION/ACTION REQUESTED

The Chief Procurement Officer recommends that a contract be authorized to Brattain International Trucks, for the purchase of ten 15-cubic yard dump trucks, in the amount of \$1,643,394.00.