

**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) February 16, 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: February 8, 2011

1) Legislation Title:

Authorize a contract with Owen Equipment Company dba Ben Ko Matic Equipment Co to furnish catch basin cleaners in the contractual amount of \$1,137,543.39. (Report)

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 three catch basin cleaners (EQ # 967001, 995008, and 995009) that are scheduled for life-cycle replacements by CityFleet for the Bureau of Environmental Services. The estimated cost to replace the three vehicles is \$1,137,543 (\$379,181 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 Bureau of Environmental Services (BES) capital budget \$1,137,543 in FY 2010-11. BES budgets for scheduled vehicle and equipment replacement within the BES capital budget and the procurement of these three vehicles is included in the FY 2010-11 CIP. There is no estimated increase in ongoing operations or maintenance for these replacement vehicles for BES.

The cost to delay this purchase would be significant. Retaining vehicles beyond the economic life-cycle leads to costly repairs and lowers salvage values. This would affect BES 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 Cost Center column if new center needs to be created. Use additional space if needed.)*


Jeff Baer, Director 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

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Portland, Oregon 97204-1912
(503) 823-5047
FAX (503) 823-6865
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Date: February 8, 2011

To: Mayor Sam Adams

From: Christine Moody, Chief Procurement Officer

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

RE: Authorize a contract with Owen Equipment Company dba Ben Ko Matic Equipment Co to furnish catch basin cleaners in the contractual amount of \$1,137,543.39. (Report)

1. **INTENDED THURSDAY FILING DATE:** February 16, 2011
2. **REQUESTED COUNCIL AGENDA DATE:** February 23, 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, Fleet Services division is responsible for replacing all City operated vehicles based upon an annual replacement plan. Upon review of the current replacement schedule, and the condition of the vehicles used by Bureau of Environmental Services, it was determined that three catch basin cleaners will need to be replaced. City Council passed Ordinance 184285 on December 8, 2010 authorizing the purchase of these vehicles.

The Chief Procurement Officer has reviewed the request to purchase three Vactor 2110 J6 catch basin cleaners and subsequently reviewed the procurement options available to the City. Key factors influencing this decision are that a State of Washington cooperative contract exists that produced pricing that was more favorable than which the City could obtain through its own bid process due to the volume purchase quantity of multiple agencies; and Owen Equipment dba Ben Ko Matic Equipment Co. is the manufacturer's sole authorized distributor for the Portland area; and a Notice of Intent to purchase against the Washington State contract was posted on January 19, 2011 and no protest was received.

Owen Equipment Company dba Ben Ko Matic Equipment Co. is located in Portland, Oregon, has a current City of Portland Business License, EEO certification through August 31, 2011, and is in Full Compliance with the City's Equal Benefits Ordinance. Owen Equipment Company dba Ben Ko Matic Equipment Co. is not an Oregon state certified M/W/ESB contractor. At this time, there are no Oregon state certified M/W/ESB contractors that are authorized distributors for this equipment.

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.

Fleet Services' level of confidence is high to optimal provided that the procurement is completed within 30 days of Council approval.

8. FINANCIAL IMPACT

This action will cost the Bureau of Environmental Services (BES) capital budget \$1,137,543.39 in FY 2010-11. BES budgets for scheduled vehicle and equipment replacement within the BES capital budget and the procurement of these vehicles is included in the FY 2010-11 CIP. There is no estimated increase in ongoing operations or maintenance for these replacement vehicles for BES.

9. RECOMMENDATION/ACTION REQUESTED

The Chief Procurement Officer recommends that a purchase order be issued to Owen Equipment dba Ben Ko Matic Equipment Co. using the State of Washington Contract No. 07005 for the purchase of three Vactor 2110 J6 catch basin cleaners for a contractual total of \$1,137,543.39.