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DEPARTMENT OF
GENERAL SERVICES
OFFICE OF THE DIRECTOR

CITY OF SACRAMENTO
CALIFORNIA

5730 24TH STREET
BUILDING FOUR
SACRAMENTO, CA
95822-3699

916-449-5548

October 23, 1987

DIVISIONS:

COMMUNICATIONS
FACILITY MANAGEMENT
FLEET MANAGEMENT
RISK MANAGEMENT
AND INSURANCE
SUPPORT SERVICES

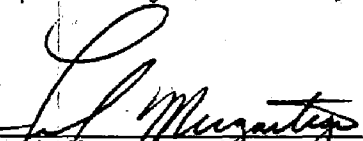
Budget and Finance Committee
Sacramento, California

Honorable Members in Session:


SUBJECT: CRAWLER TRACTOR PURCHASE DUE TO DEFAULT BY PREVIOUS CONTRACTOR

The attached report is being submitted to the Committee for review and consideration. It is requested that the Committee recommend approval of the attached resolution to the City Council.

Respectfully submitted,


Frank Mugartegui
Director of General Services

RECOMMENDATION APPROVED:


Jack Crist
Deputy City Manager

Attachment

FM:87159:RM/ml

November 4, 1987



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October 23, 1987

CITY MANAGER'S OFFICE

RECEIVED

OCT 23 1987

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: CRAWLER TRACTOR PURCHASE DUE TO DEFAULT BY PREVIOUS CONTRACTOR

SUMMARY

The Solid Waste/Fleet Management Divisions are requesting authorization to cancel an existing contract and enter into a new contract for a crawler tractor for the City Landfill. This action has been made necessary due to the Chapter 11 bankruptcy proceedings by the original contractor, CIF Manufacturing Corp. Lack of adequate equipment at the Landfill site dictates that the City procure a comparable crawler tractor as soon as possible in order to reduce any further delay. A Caterpillar D9N from Tenco Tractor, Inc. can be purchased under comparable terms and conditions as the previous contract with CIF. The total purchase price is \$276,690. It is requested that \$43,490 be transferred from the Fleet Management contingency reserve to complete this purchase. This report was presented to Budget and Finance Committee on November 4, 1987.

BACKGROUND

On March 17, 1987 the City Council adopted Resolution 87-214 and authorized the purchase of one (1) Dresser TD25G crawler tractor from CIF at a cost of \$233,200. This purchase was made through a cooperative purchasing agreement with the County of Sacramento. Prior to delivery of the unit, CIF filed Chapter 11 bankruptcy proceedings and no longer represents the Dresser product line. Due to these proceedings CIF is both unable to make delivery or perform any of the services under the terms and conditions of this contract.

The additional delays caused by these proceedings make it increasingly urgent to immediately procure a crawler tractor for the Landfill.

Bids were solicited from Tenco Tractor, Inc., representatives of the Caterpillar product line. Tenco was the only other bidder responding to the original County bid complying with all specifications. Their current proposal for the D9N is approximately \$20,000 higher than the original bid to the County due to machine changes and increases in manufacturing costs.

October 23, 1987

Tenco proposed two different Caterpillar tractors in an effort to reduce the purchase cost and still provide acceptable equipment. The first unit offered was a D8N, lighter and with less horsepower, at a cost of \$215,475; the second, a D9N, heavier and with more horsepower at a cost of \$276,690.

A demonstrator D8N was used by City personnel at the Landfill for several days. After a thorough evaluation, the Solid Waste Division determined that this size machine was too light for their application and requested that the D9N be purchased.

Due to the immediate need for this requirement it is recommended that the City contract with Tenco Tractor for a caterpillar D9N, in an amount not to exceed \$276,690.

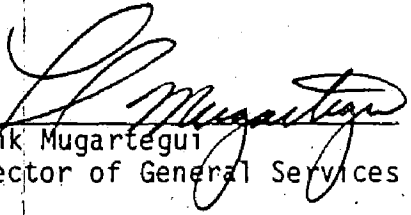
FINANCIAL

The Caterpillar D9N can be purchased from Tenco for \$276,690. This is an increase of \$43,490 over the original purchase price of the Dresser TD25G from CIF. Sufficient funds are available in the Fleet Management Contingency Fund to offset the difference in price.

RECOMMENDATION

It is recommended that the City Council, by passage of the attached resolution, authorize, (1) the City Manager to cancel the existing contract with CIF in the amount of \$233,200; (2) execute the necessary contract with Tenco Tractor, Inc. in the amount not to exceed \$276,690; (3) amend the Fleet Management FY 1987/88 operating budget by appropriating \$43,490 from the Fleet Management Contingency Fund.

Respectfully submitted,


Frank Mugartegui
Director of General Services

APPROVED:

Walter J. Slipe
City Manager

FM:87144:RS/ml

November 4, 1987
All Districts

TENCO

With You
We're Making More Happen

Mr. Robert Summersett, Fleet Mgmt. Technician
City of Sacramento
5730 - 24th Street
Sacramento, California - 95822

October 13, 1987

RE: Quotation for Track Type Tractor for City of Sacramento Landfill

Quotation parameter based on Bid Specification for Sacramento County Bid #1045, dated November 18, 1986.

1. - Accumulative repair figures
2. - Machine based on operation of 2,400 hours per year

Caterpillar D9N Waste Disposal Arrangement.....\$261,027.00 + tax
(1/2% cash discount for payment in 20 days)

3 YEAR MAINTENANCE AND BUY BACK

Guaranteed maintenance cost 1st year not to exceed.....	\$ 1,000.00
Guaranteed maintenance cost 13th thru 36th month.....	\$87,500.00
Total.....	88,500.00

Buy back at the end of.....	12 months	\$191,118.00
Buy back at the end of.....	24 months	\$165,291.00
Buy back at the end of.....	36 months	\$150,000.00

Delivery of this machine is approximately (15) weeks.
* New machine list price is \$385,825.00

Thank you for allowing us the opportunity to help you with your equipment needs.

Sincerely yours
Tenco Tractor, Inc.

Jack Samson
Jack Samson
Government Account Manager

JS/kc
(916) 991-8263

PLEASANT GROVE
7310 Pacific Ave
95668 (916) 991 8200

WEST SACRAMENTO
2801 Evergreen Ave
95691 (916) 321 3100

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WILLIAMS
463 3rd Street
95987 (916) 473 2866

STOCKTON
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95205 (916) 921 2000