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CITY OF SACRAMENTO

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CITY OF SACRAMENTO

DEPARTMENT OF GENERAL SERVICES

FLEET MANAGEMENT DIVISION

May 1, 1986

R. E. MOORE
Superintendent

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: DEFAULT OF ARROW FIRE APPARATUS

CITY MANAGER'S OFFICE
RECEIVED
MAY 2 1986

SUMMARY

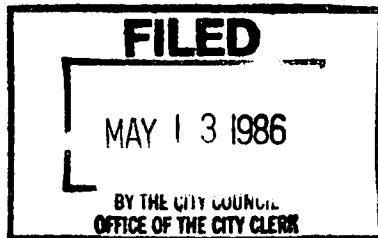
This report is to inform the City Council of the default of Arrow Fire Apparatus on Bid Number 803, Purchase Order 46859, dated June 26, 1985. This report is for information only.

BACKGROUND

Purchase Order 46859 was awarded to Arrow Fire Apparatus for one (1) complete fire tanker truck, and one (1) body build-up on a City owned chassis. Arrow Fire Apparatus completed and delivered the body build-up on time and per specifications. Before they could start on the tanker truck, they were caught in a financial crisis and were forced out of business. The bonding company, Liberty Mutual Insurance of Boston, Massachusetts will provide the difference in funds between the original bid and the current low bidder. The Support Services Division will cancel the original purchase order to Arrow Fire Apparatus and issue a new order to O'Neill Seagrave in the same amount. Liberty Mutual will issue a commitment letter stating that they will provide the additional funds once the tanker truck is satisfactorily delivered to the City. Due to the bond on this bid, there will be no additional cost to the City for this requirement.

RECOMMENDATION

This report is for Council information only; no action is required.



Respectfully submitted,

Frank Mugartegui
Frank Mugartegui
Director of General Services

FOR COUNCIL INFORMATION ONLY:

Walter J. Slipe
Walter J. Slipe
City Manager

May 13, 1986
All Districts

EM-86154-RM/ml