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CITY MANAGER'S OFFICE
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SACRAMENTO, CA
95822-3699

DEPARTMENT OF
GENERAL SERVICES

CITY OF SACRAMENTO
CALIFORNIA

OFFICE OF THE DIRECTOR

October 3, 1988

916-449-5548

City Council
Sacramento, California

DIVISIONS:

COMMUNICATIONS
FACILITY MANAGEMENT
FLEET MANAGEMENT
PROCUREMENT SERVICES

Honorable Members in Session:

Subject: Award of Bid No. 1269 for Street Front End Loaders

SUMMARY

This report requests that the City Council:

1. Grant a waiver in accordance with Sections 5(a) and 5(c)(1) of City Resolution 87-030, concerning the purchase of commodities from firms affiliated with South Africa.
2. Authorize the purchase of four Case W-11B front end loaders at a total cost of \$180,098.24, from Case Power and Equipment.

BACKGROUND

On August 30, 1988, City Council called for bids for four front end loader trucks to be used for street cleaning/garden refuse pickup operations. The only bid received on the opening date of September 20, 1988, was from Case Power Equipment, the supplier of the last seventeen units purchased by the City of Sacramento.

The Case loaders have proven to be more efficient, require less maintenance, and have better operator acceptance than prior loaders used by the City in this tough, demanding application. In addition, the City requires that these loaders be able to safely operate at street speeds without excessively slowing traffic. The Case loader has a top speed of 22.3 MPH as compared to similar units with top speeds of 10 to 14 MPH. Accordingly, the specifications developed by Fleet Management approximate those of the Case loader for size, weight, speed and configuration.

ANALYSIS

a. General

The only other known loader besides Case, that may meet the parameters developed by Fleet Management is the Komatsu WA70. However, there is no authorized local vendor that sells or services this unit and the City has not yet had an on-the-job demonstration to test its effectiveness nor has a bid been received for cost comparison.

The need for new loaders is urgent. Leaf season is rapidly approaching and these new loaders will replace older units that now need excessive repairs. The current bid price is approximately five (5) percent higher than the prior bid by Case in January 1987. This price differential is considered reasonable by General Services.

b. South African Relationship

Included in Case's bid was a letter stating that the company's legal department had advised against signing the City of Sacramento "South Africa Divestment Affidavit" in its entirety. The letter did stipulate "that no part of our Case W-11B is manufactured or produced in South Africa or Namibia". The concern was not with Case Power and Equipment, a retail outlet owned by J. I. Case Company, but with the parent company, TENNECO, whose name appears on the City of Sacramento Treasurer's list of business firms doing business in or with South Africa or Namibia.

Because of the urgent need for these loaders, counsel was sought from the City Attorney's Office in connection with the requirements of Resolution 87-030. The City Attorney's office opined that grounds for waiver by the City Manager have been satisfied in that the loader is not manufactured in South Africa or Namibia [Section 5(a)]; that no other loader is capable of satisfactorily performing the desired function [Section 5(c)(1)]; and that Case did stipulate in writing in the bid that the loader was not manufactured in South Africa or Namibia [Section (d)].

Upon receipt of legal counsel, the City Manager was appraised of the findings by the Department of General Services and has agreed to grant a waiver in accordance with above stated sections of Ordinance 88-030 and recommend award of Bid No. 1269 to Case Power and Equipment.

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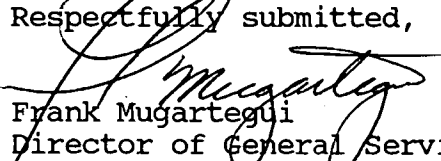
FINANCIAL DATA

Funding will come from the Fleet Management Division's budget line (420-190-1949-4631) for replacement vehicles. This account has an available balance of \$3,093,756.87.

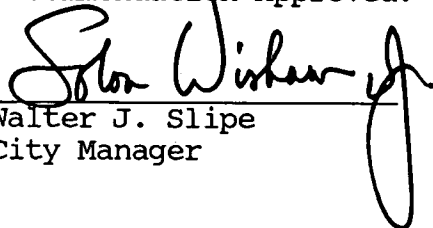
RECOMMENDATION

It is recommended that, in the best interest of the City, the City Council grant authorization for:

1. A waiver in accordance with Sections 5(a) and 5(c)(1) of City Resolution 87-030.
2. The purchase of four Case W-11B front end loaders at a total cost of \$180,098.24, from Case Power and Equipment.

Respectfully submitted,

 Frank Mugartegui
 Director of General Services

Recommendation Approved:

for: 
 Walter J. Slipes
 City Manager

For information in connection with this item, please contact Gene Moore, Fleet Manager, at 449-5241.

October 11, 1988
All Districts

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October 13, 1988

Case Power and Equipment
7849 Stockton Blvd
Sacramento CA 95823

Dear Gentlemen:

On October 11, 1988, the Sacramento City Council accepted your bid in the amount of \$180,098.24 for Bid No. 1269 - Four case W-11B front end loaders.

The City Support Services Administrator will contact you concerning the necessary contract.

Sincerely,

LORRAINE MAGANA, CITY CLERK

Janice Beaman
Acting Assistant City Clerk

LM:mls:25