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DEPARTMENT OF
FINANCE

PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

April 7, 2003

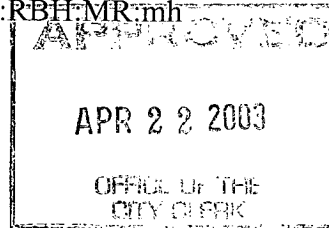
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City Council
Sacramento, California

Honorable Members in Session:



SUBJECT: AUTHORIZATION TO INCREASE THE PURCHASE ORDER AMOUNT FOR ORIGINAL EQUIPMENT MANUFACTURER PARTS FOR VEHICLES AND EQUIPMENT

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

Staff recommends that the City Council authorize the City Manager to increase the current purchase order amount with Arata Equipment Company for the purchase of Leach Co. and Wayne Engineering original equipment manufactured (OEM) parts from \$137,500.00, to an amount not to exceed \$187,500.00 through June 30, 2003.

CONTACT PERSONS: Robert Summersett, Fleet Superintendent, 433-6309
Marc Robles, Buyer II, 433-6343

FOR COUNCIL MEETING: April 22, 2003

SUMMARY:

The Maintenance Services Division (Fleet Operations) has a continuing requirement to purchase Leach Co. and Wayne Engineering OEM parts for various Solid Waste Division vehicles and equipment. This report recommends that the City Council authorize an increase to the current purchase order amount with Arata Equipment Company, 1160 Industrial Road San Carlos, California, to a total amount not to exceed \$187,500.00, through June 30, 2003, for purchase of the subject parts.

BACKGROUND:

The Maintenance Services Division (Fleet Operations) has a continuing requirement for the purchase of Leach Co. and Wayne Engineering OEM replacement parts. These parts are used to repair and maintain refuse trucks for the Solid Waste Division. On June 4, 2002, the City Council suspended formal competitive bidding

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(Resolution No. 2002-335) for the purchase of OEM replacement parts from Arata Equipment Company in an amount not to exceed \$137,500.00 through June 30, 2003. However, fiscal 02/03 purchases are now anticipated to exceed the authorized amount due to the increased usage and cost of these parts. Fleet Operations now finds it necessary to increase the current purchase order amount from \$137,500.00 to \$187,500.00 to cover the anticipated expenditures for the balance of this fiscal year. The majority of these replacement parts are available only from the original manufacturer or their authorized dealers and after market replacement parts are not available. Arata Equipment Company is the exclusive territorial distributor for Northern California for the purchase of Leach Co. and Wayne Engineering OEM replacement parts.

FINANCIAL CONSIDERATIONS:

There are sufficient funds available in the Maintenance Services Division FY02/03 operating budget for the proposed increase in spending authority.

ENVIRONMENTAL CONSIDERATIONS:

The current project has been determined to be exempt from the requirements of the California Environmental Quality Act (CEQA), under Sections 15061(b)(3) which states that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. The current proposal involves only the purchase of OEM parts for repair and maintenance of City refuse trucks. Therefore, it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.

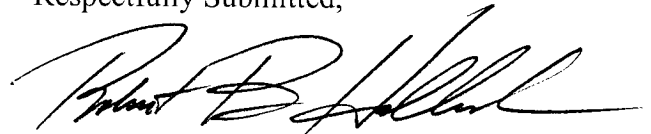
POLICY CONSIDERATIONS:

This recommendation is consistent with the requirements for procuring supplies and services as detailed in Chapter 3.56 of the Sacramento City Code.

ESBE CONSIDERATIONS:

Arata Equipment Company is not a City-certified ESBE firm. As Arata is the sole territorial distributor for the required replacement parts, ESBE efforts are not applicable.

Respectfully Submitted,



Robert B. Holbrook
Procurement Services Manager

RECOMMENDATION APPROVED:



Robert Thomas
City Manager