

# REPORT

To the Honorable Mayor and City Council  
From the City Manager

April 23, 2007

## Subject

Purchase of Two (2) Ford F-750 Dump Trucks

## Recommendation

By Motion, approve the purchase of two F-750 Dump Trucks from East Bay Ford of Oakland, CA in the amount of \$181,679.12.

## Background

The Public Works Services Department's Sanitary Sewer Maintenance and Streets & Parking Lots Maintenance Sections developed vehicle specifications for the scheduled replacement of two dump trucks. The primary uses of these trucks are for the transporting of spoils, asphalt, permeable and base rock, as well as hauling equipment trailers to transport backhoes and other equipment to job sights.

The City Clerk advertised the bid invitation with copies of the bid being mailed to six local dealerships. The two bids received were opened by the City Clerk on Wednesday, March 14, 2007, which are summarized as follows:

Serramonte Ford	Colma, CA	\$181,465.97 (Incomplete Bid)
East Bay Truck Center	Oakland, CA	\$181,679.12

Serramonte Ford did not include the cost of a 60 month extended warranty as required in the bid specifications, which is valued at approximately \$2,800. Therefore, East Bay Ford is the lowest responsible bidder who has proven in the past to be experienced and reliable.

## Alternative

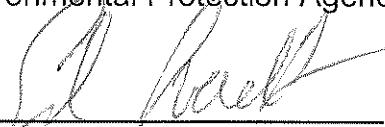
Not approving the purchase of the two dump trucks would impact the operational requirements of the Sanitary Sewer Maintenance and Streets & Parking Lots Maintenance Sections. Their existing dump trucks are extremely worn from heavy daily use. It would not be economically sound to invest in the continued repair of these dump trucks due to their current age and condition. These trucks, if not replaced, would be subject to the 2007 diesel emission requirements as mandated by the California Air Resource Board (CARB) and would be required to be retrofitted at a cost of \$30,000.

## Fiscal Impact

Funds for the purchase of these replacement dump trucks were approved by City Council in the FY 2006/07 Equipment Replacement Fund Budget in the amount of \$157,750. The remaining balance of \$23,929.12, will initially be financed from retained earnings in the Equipment Replacement Fund. This amount will be subsequently recovered from the operating budget of the user department through the vehicle replacement charges in future years. The two main reasons for the price difference between what was budgeted

compared to the actual purchase price is, (1) the increase in the cost of steel, and (2) the increased cost in the 2007 diesel engine which was completely redesigned to meet the stringent 2007 emission standards mandated by the Environmental Protection Agency.

  
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Larry Barwacz  
Public Works Services Director

  
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Ed Everett  
City Manager

**Attachment:** None