



Legislation Details (With Text)

File #:	23-404	Version:	1	Name:	
Type:	Consent Item	Status:		Passed	
File created:	4/28/2023	In control:	City Council/Public Finance and Economic Development Authority/Parking Authority/Successor Agency to the Redevelopment Agency		
On agenda:	5/15/2023	Final action:	5/15/2023		

Title: SUBJECT: Acceptance of Future Reimbursement from McLaren's Insurance for a Refuse Roll-Off Truck that is Damaged Beyond Repair, Approval of a Supplemental Appropriation in the Fleet Replacement Fund 7006 in the Amount of \$225,429, and Approval to Waive the Competitive Bidding Requirements and Authorizing the Purchase of One Refuse Roll-Off Truck Through a Cooperative Purchasing Agreement with Sourcewell via Interstate Truck Center for \$204,935.40, Plus Applicable State and DMV Fees

REPORT IN BRIEF

Considers approving future reimbursement approving a supplemental appropriation in Fund 7006-Fleet Vehicle Replacement in the amount of \$225,645 and approval to waive the competitive bid requirement and authorize the purchase of one roll-off refuse truck and accept future reimbursement from McLaren's Insurance.

RECOMMENDATION

City Council - Adopt a motion:

- A. Accepting insurance reimbursement and increasing revenue in the amount of \$179,936.00 (estimate) from McLaren's Insurance in Fund 7006-Fleet Replacement and approving the use of pooled cash until reimbursement from insurance is received; and,
- B. Approving a supplemental appropriation from the unreserved, unencumbered fund balance in the Fund 7006-Fleet Replacement and appropriating to Vehicle Expenditure in the amount of \$225,429 to purchase the replacement of the unrepairable roll-off refuse truck; and,
- C. Waiving the City's competitive bidding requirement as permitted by Merced Municipal Code section 3.04.210 and authorizing the purchase to be made with a cooperative purchase agreement through Sourcewell, a government procurement program; and,
- D. Approving the purchase of Refuse Roll-Off Truck in the amount of \$204,935.40, plus applicable State and DMV fees, from Interstate Truck Center through Sourcewell contract #060920-PMC; and,
- E. Authorizing the City Manager or Deputy City Manager to execute the necessary documents, the Finance Officer to make the necessary budget adjustments and the City Buyer to issue the Purchase Order, and approval of change orders not to exceed 10% of the total purchase price.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Interstate Truck Center Quote, 2. Sourcewell Membership Certificate

Date	Ver.	Action By	Action	Result
5/15/2023	1	City Council/Public Finance and Economic Development Authority/Parking	approved	Pass

Authority/Successor Agency to the
Redevelopment Agency

Report Prepared by: Wally Broughton, Public Works Manager - Operations

SUBJECT: Acceptance of Future Reimbursement from McLaren's Insurance for a Refuse Roll-Off Truck that is Damaged Beyond Repair, Approval of a Supplemental Appropriation in the Fleet Replacement Fund 7006 in the Amount of \$225,429, and Approval to Waive the Competitive Bidding Requirements and Authorizing the Purchase of One Refuse Roll-Off Truck Through a Cooperative Purchasing Agreement with Sourcewell via Interstate Truck Center for \$204,935.40, Plus Applicable State and DMV Fees

REPORT IN BRIEF

Considers approving future reimbursement approving a supplemental appropriation in Fund 7006-Fleet Vehicle Replacement in the amount of \$225,645 and approval to waive the competitive bid requirement and authorize the purchase of one roll-off refuse truck and accept future reimbursement from McLaren's Insurance.

RECOMMENDATION

City Council - Adopt a motion:

- A. Accepting insurance reimbursement and increasing revenue in the amount of \$179,936.00 (estimate) from McLaren's Insurance in Fund 7006-Fleet Replacement and approving the use of pooled cash until reimbursement from insurance is received; and,
- B. Approving a supplemental appropriation from the unreserved, unencumbered fund balance in the Fund 7006-Fleet Replacement and appropriating to Vehicle Expenditure in the amount of \$225,429 to purchase the replacement of the unrepairable roll-off refuse truck; and,
- C. Waiving the City's competitive bidding requirement as permitted by Merced Municipal Code section 3.04.210 and authorizing the purchase to be made with a cooperative purchase agreement through Sourcewell, a government procurement program; and,
- D. Approving the purchase of Refuse Roll-Off Truck in the amount of \$204,935.40, plus applicable State and DMV fees, from Interstate Truck Center through Sourcewell contract #060920-PMC; and,
- E. Authorizing the City Manager or Deputy City Manager to execute the necessary documents, the Finance Officer to make the necessary budget adjustments and the City Buyer to issue the Purchase Order, and approval of change orders not to exceed 10% of the total purchase price.

ALTERNATIVES

- 1. Approve, as recommended by staff; or,
- 2. Approve, subject to conditions other than recommended by staff; or,
- 3. Deny; or,
- 4. Refer to staff for reconsideration of specific items; or,
- 5. Continue to a future meeting.

AUTHORITY

Merced City Charter, Section 200. Municipal Code Section 3.04.210 - Exemptions from competitive bidding.

CITY COUNCIL PRIORITIES

As provided for in the FY 22/23 Adopted Budget.

DISCUSSION

Sourcewell offers an equipment/vehicle purchase program to government entities nationwide; specifications are created, and Request for Bids are sought by Sourcewell for a wide variety of equipment used by local governments. As a result of the nationwide scope of these programs, the City can purchase specialized equipment for much less than the more traditional method of creating specifications and soliciting bids in-house.

Over the last several years, the City has purchased a variety of equipment not provided by local vendors including, street sweepers, leaf trucks, fire trucks, refuse trucks, etc. through the Sourcewell government procurement program with great success.

Buying these vehicles directly through this outside program requires waiving the City's competitive bid requirements. In addition to cost savings, purchasing directly from Sourcewell allows the City to standardize equipment, which is a desire of the Fleet Services Division. With standardized equipment, Fleet Services will have the ability to reduce parts inventory, and ensure the vehicle controls, handling, and maneuvering are the same for vehicles that are currently being used by City employees. The vehicles requested will be the same make and model as other City equipment.

Fleet Services is requesting approval from Council to appropriate \$225,429 to purchase one new refuse roll-off truck. This purchase is necessary to replace a truck that sustained damages in a multi vehicle accident with repair cost that exceeded the value of the truck, thus rendering it a total loss. Per the insurance stipulations, the reimbursement will be processed after the City has purchased the vehicle. The insurance reimbursement amount is estimated to be \$204,935.40 minus \$25,000 deductible will be credited back to Fund 7006-Fleet Replacement.

This Vehicle would meet California Air Resource Board (C.A.R.B.) requirements.

Section 3.04.210 of the Merced Municipal Code provides that the City Council can approve a waiver of the City's competitive bidding requirements when such purchases are made pursuant to cooperative purchasing in conjunction with other governmental entities. Staff requests waiving the bidding requirements to standardize equipment and utilize the government pricing contract.

IMPACT ON CITY RESOURCES

The \$204,935.40 (estimate) reimbursement from McLaren's Insurance will be reduced by \$25,000.00 which is the deductible for a vehicle in this price range. A supplemental appropriation in the amount of \$225,429 is needed within Fund 7006-Fleet Replacement for the vehicle purchase, taxes, fees, and contingency.

ATTACHMENTS

1. Interstate Truck Center Quote
2. Sourcewell Membership Certificate