

**PUBLIC WORKS DEPARTMENT
MEMORANDUM #09-47**

DATE: October 5, 2009

TO: Honorable Mayor Kathleen M. Novak and City Council Members

FROM: William Simmons, City Manager *WAS*
David Willett, P.E., Director of Public Works
Norman Bell, Public Works Superintendent *NB*

SUBJECT: CR-116 – Accelerated Purchase of Automated Trash Trucks

BACKGROUND:

On May 6, 2009, the City of Northglenn received bids for an automated trash truck (IFB 2009-14). Rush Truck Center of Denver, Colorado was awarded the bid for the purchase of a Peterbilt 320 cab and chassis with a McNeilus Autoreach automated packer in the amount of **\$193,482.00**.

The terms of the bid allowed for a three (3) year purchase agreement subject to annual appropriation of funds. The bidder's price was guaranteed with the exception of incremental price increases from the manufacturer of the cab and chassis and packer unit. McNeilus has indicated an incremental price increase for a packer unit effective October 1, 2009 of \$2,553.21.

In 2010, federal requirements for class 8 heavy trucks will require the addition of Tier III emission equipment consisting of an additional particulate filter, injection and exhaust heating systems. We have received information from Rush Truck Center that the Tier III compliant Peterbilt units ordered next year will experience an increase of \$19,090.25 over the current unit price. A complete automated truck and packer unit purchased next year would be **\$215,125.46**, for a total increase of \$21,643.46 over the current price.

Currently, the conversion of manual rear load trash trucks is scheduled to be completed by the fall of 2011 with one (1) new automated truck being purchased in 2010 and two (2) in 2011.

City Council has expressed interest in accelerating the purchase of the remaining 3 automated trucks. After further discussion with the vendor, staff successfully negotiated with Rush Truck Center and McNeilus to waive the incremental price increase if an order can be placed prior to October 15, 2009. If the remaining 3 automated trucks could be ordered by or before October 15th, these units could be delivered late 2009 or early 2010 at the unit price of \$193,482.00 vs. \$215,125.46 producing a cost reduction of **\$64,930.38**. Appropriate reductions in staffing levels next year would provide further reductions in expenditures.

BUDGET IMPLICATIONS:

Sufficient funding is available in the Sanitation Fund for the purchase of three (3) trucks. An Appropriation Ordinance (CB-1698) was approved on first reading and is scheduled for second reading on October 8th, 2009. If approved, \$580,446.00 will be transferred from the Sanitation Fund into the 2009 Sanitation operating budget.

RECOMMENDATION:

Pending approval of CB 1698, staff recommends approval of the attached Resolution authorizing the City Manager to issue a Purchase Order to Rush Truck Center of Denver in the amount of \$580,446.00 for the purchase of the remaining three automated trash trucks.

STAFF REFERENCE:

Norman Bell, Public Works Superintendent at nbell@northglenn.org or 303.450.4005.

Attachment: Sanitation Fund Pro Forma

SANITATION FUND - OPERATING

PLAN A

PROJECTED ESTIMATE - MANDATORY CONTAINERS W/O CURBSIDE RECYCLING

	2007 Final Actual	2008 Adopted Budget	2008 Amended Budget	2008 Year End Estimate	2009 Adopted Budget	2010 Projected Estimate	2011 Projected Estimate	2012 Projected Estimate	2013 Projected Estimate	2014 Projected Estimate	2015 Projected Estimate
Revenues											
Charges for Services	1,345,304	1,592,800	1,592,800	1,533,800	1,533,800	1,510,689	1,510,689	1,510,689	1,510,689	1,510,689	1,510,689
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-	-
Investment Earnings	95,533	55,000	55,000	65,000	55,000	36,787	36,787	36,787	36,787	36,787	36,787
Total Revenues	1,440,837	1,647,800	1,647,800	1,598,800	1,588,800	1,547,476	1,547,476	1,547,476	1,547,476	1,547,476	1,547,476
Expenditures											
Public Works	1,160,902	1,325,742	1,325,744	1,298,042	1,652,304	1,382,528	1,334,060	1,400,763	1,470,801	1,544,341	1,621,558
Overhead/Admin	239,240	321,710	321,710	260,999	274,239	91,739	91,739	91,739	91,739	91,739	91,739
Accelerated Truck Purchase					580,446	-	-		225,000	225,000	225,000
Total Expenditures	1,400,142	1,647,452	1,647,454	1,559,041	2,506,989	1,474,267	1,425,799	1,492,502	1,787,540	1,861,080	1,938,297
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,695	348	346	39,759	(918,189)	73,209	121,677	54,974	(240,064)	(313,604)	(390,821)
Other Financing Sources (Uses)											
Capital Improvements	(22,387)	-	-	-	-	-	-	-	-	-	-
Transfer to CIP	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Property Sales	153,900	-	-	-	-	120,000	30,000	-	30,000	30,000	30,000
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	172,208	348	346	39,759	(918,189)	193,209	151,677	54,974	(210,064)	(283,604)	(360,821)
Beginning Funds Available	1,426,499	1,398,139	1,598,707	1,598,707	1,638,467	720,278	913,487	1,065,164	1,120,138	910,074	626,470
Ending Funds Available	1,598,707	1,398,487	1,599,054	1,638,467	720,278	913,487	1,065,164	1,120,138	910,074	626,470	265,649

SPONSORED BY: MAYOR NOVAK

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-116
Series of 2009

Series of 2009

A RESOLUTION TO AUTHORIZE THE CITY MANAGER TO ISSUE A PURCHASE ORDER TO RUSH TRUCK CENTER IN AN AMOUNT NOT TO EXCEED \$580,446 FOR THE PURCHASE OF THREE AUTOMATED TRASH TRUCKS

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The City Manager is hereby authorized to issue a Purchase Order to Rush Truck Center in an amount not to exceed \$580,446.00 for the purchase of three (3) automated trash trucks.

DATED at Northglenn, Colorado, this ____ day of _____, 2009.

KATHLEEN M. NOVAK
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

APPROVED AS TO FORM:

COREY Y. HOFFMANN
City Attorney