

# City of Sacramento

## Legislation Text

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**File #:** 2018-01534, **Version:** 1

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**Title:**

**Contract Supplement No. 3: Wheel Loader Leases**

File ID: 2018-01534

**Location:** Citywide

**Recommendation:**

Pass a Motion authorizing the City Manager or City Manager's designee to execute Contract Supplement No. 3 to Contract No. 2015-2027 with John Deere Construction Retail Sales for the lease of two-wheel loaders vehicles to extend the term an additional year and increase the contract amount by \$52,596 for a revised total contract not-to-exceed amount of \$237,436.

**Contact:** Alison Crandall, Program Specialist, (916) 808-1163; Mark Stevens, Fleet Manager, (916) 808-5869, Department of Public Works

**Presenter:** None

**Attachments:**

1-Description/Analysis

2-Contract Supplement No. 3

**Description/Analysis**

**Issue Detail:** The Department of Public Works, Fleet Management Division, has a customer requirement to extend a current lease for two-wheel loaders for the Department of Utilities, Water Division. The loaders will be used at City water treatment plants to treat and dispose of the sludge created during the water sedimentation and purification process.

**Policy Considerations:** City Code 3.56.290(A)(2) requires City Council Approval for a contract supplement that increases the contract amount by more than \$25,000.

**Economic Impacts:** None

**Environmental Considerations:** No environmental review is necessary because the

recommendations in this report involve equipment leases and are not considered to be a project in accordance with Section 15378(b)(2) of the California Environmental Quality Act guidelines.

**Sustainability:** Not Applicable

**Commission/Committee Action:** None

**Rationale for Recommendation:** On October 27, 2015, City Council adopted Motion No. 2015-0273, awarding a three-year contract to John Deere Construction Retail Services for the lease of two-wheel loaders. The Department of Utilities has planned to purchase the equipment in FY2020. Fleet Management will be extending the lease for one additional year to allow for the purchase of the units and recommends approval of Contract Supplement No. 3 to avoid any disruption in operations.

**Financial Considerations:** Sufficient funds are available in the Department of Utilities Fiscal Year (FY) 2018/19 operating budget (Water Fund, Fund 6005) to execute Contract Supplement No. 3 with John Deere Construction Retail Sales, increasing the not to exceed amount by \$52,596 over the term of the contract.

**Local Business Enterprise (LBE):** John Deere Construction Retail Sales is not an LBE. The minimum LBE participation requirement is waived for the City's use of cooperative purchase agreements that have been competitively bid, evaluated and awarded by other governmental agencies that may or may not have similar LBE programs.