

**City of Placerville
Public Works / Engineering
MEMORANDUM**

DATE: March 20, 2009

TO: City Council

FROM: Randy Pesses, Director of Public Works

SUBJECT: Purchase of a Yale Model: MSW 040-E Walk Behind Material Handling Forklift with a Purchase Price of Approximately \$17,500, for the Hangtown Creek Water Reclamation Facility.

RECOMMENDATION

That the City Council adopt a Resolution:

1. Approving the purchase of a Yale model: MSW 040-E walk behind material handling forklift unit with a purchase price of approximately \$17,500 (including sales tax and shipping) for the Hangtown Creek Water Reclamation Facility.
2. Authorizing the Public Works Director, and Finance Director to execute any associated purchase documents.

BACKGROUND

The Hangtown Creek Water Reclamation Facility has been undergoing a \$47 million plant upgrade for the past 2 1/2 years. This plant upgrade includes substantial improvements to the overall treatment process, including the elimination of the use of highly toxic, gaseous chlorine and gaseous sulfur dioxide for the final disinfection of the effluent stream. However, there is still the need for a significant amount of bulk chemical usage at the various stages of the treatment process. These bulk chemicals are typically delivered in 300 gallon "totes" that can weigh up to approximately 3500 pounds. In the past, the plant had used a backhoe to handle the offloading and movement of these bulk chemicals, however this procedure is very awkward and potentially dangerous. As a consequence there has been an obvious need to purchase a forklift of some type for materials handling at the facility.

During the construction process, the Water Reclamation Facility site was completely disrupted and rearranged which made the use of a forklift impractical. During this time the Contractor had materials handling equipment on site, designed for use within irregular construction sites, and they were able to handle the off loading and movement of these bulk chemicals on behalf of City staff. Now that the construction is coming to an end, and the facility is fully paved; it is necessary for the City to have its own materials handling equipment on site.

DISCUSSION

The initial research conducted by City staff at first focused upon finding a late model, riding forklift with a gasoline or propane powered engine. However, upon closer examination it became apparent that there were serious drawbacks to having a riding forklift. The State mandates special training and operator certification. In addition, there is limited ability to maneuver such a piece of equipment within the plant. Staff then evaluated the potential for using a walk behind, electric powered forklift. This piece of equipment would have greater flexibility and would not require State certification for operators. When not in use, it would be plugged into a battery charger so that it would always be ready to go when needed. Price comparisons revealed that for the cost of a used riding forklift, a brand-new walk behind forklift could be purchased.

Staff checked to determine if this type of equipment was listed on the State of California bid list, and found that a Caterpillar model SS3500-139 DT walk behind forklift was included for a bid price of \$17,324.80 plus sales tax and shipping. In checking with other dealerships within the Sacramento area, staff found that the Yale model MSW 040-E was available for a purchase price of \$15,627.32 plus sales tax and shipping. The Yale model has 500 pounds greater capacity than the Caterpillar model and both brands have support dealerships within the Sacramento area. While both pieces of equipment are American-made, the Yale model is approximately \$1,700 less expensive than the Caterpillar.

Based upon the above analysis staff has concluded that the Yale model is the preferred alternative. Assuming 7.50% sales tax and \$500 for shipping to the Hangtown Creek Water Reclamation Facility, the total purchase will come to approximately \$17,299.37.

FISCAL IMPACTS

At its regularly scheduled meeting held on March 14, 2006, the City Council adopted a revised budget for the Water Reclamation Facility upgrade (CIP #40323) which brought the total project budget to \$47,100,717. To date, the project has encumbered the following expenditures:

Western Water Constructors (Original Agreement)	\$ 38,885,000
Owen Engineering-Plant Design (Original Agreement)	1,704,845
Owen Engineering-Plant Design (Amendment #1)	344,800
Owen Engineering-Plant Design (Amendment #2)	98,910
Owen Engineering-Plant Design (Amendment #3)	78,562
Owen Engineering-Plant Design (Amendment #4)	613,059
Owen Engineering-Plant Design (Amendment #5)	44,163
Owen Engineering-Plant Design (Amendment #6)	512,282
Owen Engineering-NPDES Permit (Amendment #7)	36,300
Owen Engineering-Plant Design (Amendment #8)	2,246,161
Owen Engineering-NPDES Permit (Amendment #9)	91,000
Owen Engineering -NPDES Permit (Amendment #10)	25,000

Owen Engineering - (Ammendment #11)	245,000
Robertson-Bryan, Inc.(Original Agreement)	47,320
Robertson-Bryan, Inc.(Ammendment #1)	13,320
Robertson-Bryan, Inc.(Ammendment #2)	18,998
PG&E	40,918
Electro-Test, Inc.(Original Agreement)	13,945
EID	11,848
Hydec	2,397
State Water Resources Control Board	2,247
AT&T	1,897
Yale Forklift (Proposed)	17,299
Engineering Staff	155,339
Total	<u>\$ 45,250,610</u>

As you can see, the \$45,250,610 in total encumbrances, including the proposed purchase of the \$17,299 Yale forklift, is well within the \$47,100,717 project budget. The forklift would be purchased with Proceeds from 2006 Wastewater System Refinancing and Improvement Project Revenue Bonds. Tonight, staff respectfully requests the City Council to accept our proposal to purchase the much needed Yale Model MSW 040-E, walk behind, materials handling forklift in the approximate amount of \$17,299, including taxes and shipping.

Prepared by:

Reviewed for Fiscal Impact by:

Randy Pesses
Public Works Director

Dave Warren
Director of Finance

Approved for Submittal to City Council:

John Driscoll, City Manager/City Attorney

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACERVILLE
APPROVING THE PURCHASE OF A YALE MODEL MSW 040-E, WALK
BEHIND MATERIALS HANDLING FORKLIFT, FOR THE HANGTOWN
CREEK WATER RECLAMATION FACILITY WITH A TOTAL PURCHASE
PRICE OF APPROXIMATELY \$17,500.**

WHEREAS, the Hangtown Creek Water Reclamation Facility utilizes numerous bulk chemicals in the treatment process that require specialized equipment for the safe offloading and handling of these chemical containers; and,

WHEREAS, staff has determined that the most effective piece of equipment for handling these bulk chemicals is a walk behind materials handling forklift; and,

WHEREAS, comparison of different brands of walk behind forklifts concluded that the lowest price brand of American-made forklift, with a Sacramento-based dealership that met the City specifications is the Yale model MSW 040-E, with a purchase price of \$15,627.32 plus sales tax and shipping charges, which is estimated to bring the total cost to \$17,299; and,

WHEREAS, sufficient funds are available to purchase this piece of equipment through the proceeds from the general obligation bonds sold to finance improvements to the Hangtown Creek Water Reclamation Facility and other sewer system improvements.

NOW THEREFORE BE IT, AND IT IS HEREBY RESOLVED, that the City Council of the City of Placerville takes the following actions:

1. Approve the purchase of the Yale Model MSW 040-E, walk behind materials handling forklift for the Hangtown Creek Water Reclamation Facility, in the amount of \$17,500.
2. Authorize the Director of Public Works and the Director of Finance to execute any associated purchase documents.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Placerville held on March 24, 2009, by Councilmember _____

who moved its adoption. The motion was seconded by Councilmember

_____.

A vote was taken, which stood as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mayor, Patricia Borelli

ATTEST:

Susan Zito, CMC, City Clerk