

W. 8. B. 2

AGENDA COVER MEMO

DATE: October 27, 2004
TO: Lane County Board of Commissioners
DEPT: Public Works
PRESENTED BY: Dale Wendt, Public Works Support Services Manager

AGENDA ITEM TITLE: In the Matter of Authorizing Public Works Fleet Services to Purchase Various Equipment and Vehicles off State Price Agreements and the Director of Management Services/Purchasing Manager Authority to Execute State Price Agreements and Sign Purchase Orders in Excess of \$50,000.00, for Vehicles and Equipment with Other Vendors in Instances where Prices Offered are less than the State Price Agreement and are Acceptable to Public Works, Lane County Purchasing Rules and County Counsel Review; with the Total Sum of all Purchases Authorized by this Action not to Exceed \$1,119,000.00

I. MOTION

MOVE TO AUTHORIZE PUBLIC WORKS FLEET SERVICES TO PURCHASE VARIOUS EQUIPMENT AND VEHICLES OFF STATE PRICE AGREEMENTS AND THE DIRECTOR OF MANAGEMENT SERVICES/PURCHASING MANAGER AUTHORITY TO EXECUTE STATE PRICE AGREEMENTS AND SIGN PURCHASE ORDERS IN EXCESS OF \$50,000.00, FOR VEHICLES AND EQUIPMENT WITH OTHER VENDORS IN INSTANCES WHERE PRICES OFFERED ARE LESS THAN THE STATE PRICE AGREEMENT AND ARE ACCEPTABLE TO PUBLIC WORKS, LANE COUNTY PURCHASING RULES AND COUNTY COUNSEL REVIEW; WITH THE TOTAL SUM OF ALL PURCHASES AUTHORIZED BY THIS ACTION NOT TO EXCEED \$1,119,000.00.

II. ISSUE OR PROBLEM

Shall Lane County approve authorizing Public Works Fleet Services to purchase various equipment and vehicles off State Price Agreements and the Director of Management Services/Purchasing Manager authority to execute State Price Agreements and sign purchase orders in excess of \$50,000 for vehicles and equipment with other vendors in instances where prices offered are less than the State Price Agreement and are acceptable to Public Works, Lane County purchasing rules and County Counsel review; with the total sum of all purchases authorized by this action not to exceed \$1,119,000.

III. DISCUSSION

A. Background

Fleet Services annually purchases replacement vehicles off of the State Price Agreements. State Price Agreements also include some types of heavy equipment.

The State Price Agreements contain numerous items in addition to vehicles and equipment. For local government units who join the cooperative purchasing arrangement with the State, including Lane County, the state conducts a competitive selection for each item; selects the lowest bidder; contracts with each selected vendor; and public purchasing laws allow Lane County to utilize this as its own competitive selection and contract. The state does not complete its selection at one time, rather it notifies Lane County periodically as it completes its selection and contracting for each item. In addition, there are at times "windows of opportunity" for purchasing at a lower price before a price increase goes into effect or a new model is released.

Before purchasing from a state price agreement, Fleet Services does solicit letters of interest from other vendors, including local vendors, to determine if there is a competitive advantage in purchasing select vehicles from a different vendor, and would complete its own appropriate competitive selection if there were a chance of purchasing a needed vehicle or piece of equipment at a lower cost.

B. Analysis

Fleet Services, through the adopted budget, identified the need to replace 15 intermediate sedans, five (5) 4x4 SUVs, three (3) ¾ ton pickups, three (3) 1-ton cab/chassis, three (3) 1-ton pickups, one (1) ¾ ton 4x4 pickup, one (1) 1-ton 4x4 crew cab, one (1) ½ ton pickup, one (1) 12-passenger van, one (1) ½ ton cargo van, and one (1) 1.5 ton truck chassis, for a total of 35 vehicles, at an estimated total cost of \$759,000 (see attachment).

Fleet Services also plans on replacing the four (4) mowing tractors off of the State Price Agreements. The total cost is approximately \$360,000. The existing mowing tractors are scheduled for replacement and are used in the roadside mowing operation. The current State Price Agreement expires on November 17th and the manufacturer has sent notice that the new Agreement includes a four percent price increase – increasing Lane County's cost by \$14,400. With Board approval, Fleet plans on placing an order prior to November 12th in order to avoid the price increase.

Sufficient funds have been approved in the Fleet Services budget for purchase of the replacement vehicles and mowers.

The purpose of this agenda item is to seek approval from the Board for the purchases listed above, but without identifying the specific vendor. Fleet Services proposes to utilize the process it has been using to identify the vendors, i.e., reviewing the notifications from the State for these vehicles/equipment as they arrive, comparing the cost with any other opportunity, including through a local vendor to purchase vehicles/equipment which would meet Fleet Services needs at a lower cost. Once the vendor is identified, Fleet Services also requests that the Board approve the purchases exceeding \$50,000.00 from either the State Price Agreement or through a Lane County Purchase Order, approved by the Director of Management Services/Purchasing Manager.

Replacement of vehicles or equipment is necessary to provide direct and indirect services to the citizens of Lane County, maintain County infrastructure including roads, and bridges, and to meet the health, safety, and economic good of the citizens and industries of our community as defined in Section B3.a.2 of the Strategic Plan.

C. Alternatives/Options

1. Purchase off of the State Price Agreements when that is the least cost alternative. Purchase from local vendors when prices offered are lower than off the State contracts.
2. Purchase all vehicles off of the State Price Agreements. This may not result in the lowest cost, but is the most efficient since the contracts are awarded by the State.
3. Purchase all vehicles locally. This likely would not be the lowest cost alternative.

D. Recommendation

Option #1. While State Price Agreements for vehicles usually result in the least cost, Fleet Services occasionally has saved significant dollars by purchasing from other vendors.

E. Timing

Upon approval of the Board, Fleet Services will place orders for replacement vehicles and equipment following the Board approved process.

IV. IMPLEMENTATION/FOLLOW-UP

None.

V. ATTACHMENTS

Board Order

Spreadsheet of Estimated Prices

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY
STATE OF OREGON

) IN THE MATTER OF AUTHORIZING
) PUBLIC WORKS FLEET SERVICES TO
) PURCHASE VARIOUS EQUIPMENT
) AND VEHICLES OFF STATE PURCHASE
) AGREEMENTS AND THE DIRECTOR
) OF MANAGEMENT SERVICES/
) PURCHASING MANAGER AUTHORITY TO
) EXECUTE STATE PRICE AGREEMENTS
) AND SIGN PURCHASE ORDERS IN
) EXCESS OF \$50,000.00 FOR
) VEHICLES AND EQUIPMENT WITH
) OTHER VENDORS IN INSTANCES WHERE
) PRICES OFFERED ARE LESS THAN THE
) STATE PRICE AGREEMENT AND ARE
) ACCEPTABLE TO PUBLIC WORKS, LANE
) COUNTY PURCHASING RULES AND
) COUNTY COUNSEL REVIEW; WITH THE
) TOTAL SUM OF ALL PURCHASES
) AUTHORIZED BY THIS ACTION NOT TO
) EXCEED \$1,119,000.00

ORDER

WHEREAS, Lane County requires vehicles and equipment in order to provide services to the citizens of Lane County; and

WHEREAS, Lane County Fleet Services identified vehicles and equipment for replacement in the FY04/05 budget year; and

WHEREAS, funds for replacement of the identified vehicles and equipment were approved in the adopted budget; therefore it is hereby

ORDERED that Public Works Fleet Services be authorized to purchase replacement vehicles and mowers off of the State Price Agreements; and it is further

ORDERED that the Director of Management Services or Purchasing Manager as his designee be authorized to execute necessary documents to purchase the replacement vehicles and mowers from the State Price Agreement up to the amount set forth in this agenda item, or in the alternative, to execute purchase orders with other vendors to purchase these items when the prices offered are less than the price from the State Price Agreement and no greater than the amount set forth in this agenda item.

DATED this _____ day of October, 2004.

APPROVED AS TO FORM

Date 10/19/04 Lane County

David Law
OFFICE OF LEGAL COUNSEL

Chair, Lane County Board of Commissioners

521200 Vehicles			
<u>Description</u>	<u>Quantity</u>	<u>Price Each</u>	<u>Total Price</u>
Intermediate Hybrid Sedan	15	\$21,000	\$315,000
SUV 4x4	5	\$21,000	\$105,000
1-Ton Cab/Chassis	3	\$22,000	\$66,000
¾-Ton Pickup	3	\$24,000	\$72,000
1-Ton Pickup	3	\$23,000	\$69,000
¾-Ton 4x4 Pickup	1	\$27,000	\$27,000
1-Ton Crew-Cab 4x4	1	\$29,000	\$29,000
½-Ton Extended Cab Pickup	1	\$15,000	\$15,000
12-Passenger Van	1	\$20,000	\$20,000
½-Ton Cargo Van	1	\$15,000	\$15,000
1.5-Ton Cab/Chassis	1	\$26,000	\$26,000
TOTAL	35		\$759,000

521110 Heavy Equipment		
<u>Description</u>	<u>Quantity</u>	<u>Total Price</u>
6320 John Deere Tractor with 13' Tiger Flail Mower Attachment	4	\$360,000
TOTAL		\$360,000