

M E M O

To: District Manager

From: Director of Operations

Subject: Request for Vehicle Purchase; Waiver of Formal Bidding Procedures

Date: January 28, 2010

Recommendation

It is recommended that the District Manager review this memo and request the Board of Directors to approved the attached resolution authoring the waiver of formal bidding procedures and direct staff to negotiate purchase of two new vehicles.

Background

The District's 2009-2010 Fiscal Year Budget provides for the purchase/replacement of two existing District vehicles. The vehicles being replaced are: Vehicle 210 a 4X4 pickup truck assigned to the Water Quality staff, and Vehicle 311 a 2X4 pickup truck assigned to maintenance staff.


Generally, staff would purchase vehicles through the State of California, Department of General Services, Procurement Division, California Multiple Award Schedule (CMAS). This year vehicles provided by CMAS are manufacture by Chrysler LLC who on April 30, 2009 file for bankruptcy and announced on April 14, 2009 the closing of 789 dealerships. Two remaining manufactures, Ford Motor and General Motors, both manufacture vehicles which meet the needs of the District. However, Ford Motor is the only dealership located in Santa Cruz County.

Staff is recommending a negotiated purchase for two replacement vehicles manufactured by Ford Motor Company. At this time Ford Motor Co appears to be financially solvent. Financial solvency is very important to the District relative to long term manufactures warranties. Due to the slow economy there are several ready to drive vehicles available. Staff has contacted several dealerships inquiring on the availability and governmental procurement procedures. Because Ford offers the District their "Governmental Fleet Discounting" it is very difficult for a governmental agency to obtain formal bids. With the current economy, a negotiated purchase from dealerships is expected to be lower than the governmental or CMAS pricing. The

District will also save several thousand dollars by not paying the State of California CMAS fees.

District Ordinance 8, Article 18.8(a) Waiver of Provisions-Competitive Bidding states "Notwithstanding any other provision of these rules, the Board by four-fifths (4/5) vote may waive as to individual purchases, the competitive bidding requirements of these rules and may make such purchasing without calling for bids".

Its is recommended that the Board of Directors review this memo and adopt the attached resolution authoring staff to negotiate purchase of three vehicles waiving formal bidding procedures.


Rick Rogers
Director of Operations

SAN LORENZO VALLEY WATER DISTRICT

RESOLUTION NO. (09-10)

SUBJECT: AUTHORIZATION TO PURCHASE VEHICLE REPLACEMENT FOR TRUCK # 210, and TRUCK #311

WHEREAS, the District's 2009-20010 Fiscal Year Budget provides for the replacement of two (2) vehicle; and

WHEREAS, the vehicle scheduled for replacement is the Water Quality Vehicle, Truck # 210 , and Maintenance Vehicle #311; and

WHEREAS, these vehicle have reached there life expectancy, and

WHEREAS, that the Board of Directors of the San Lorenzo Valley Water District hereby authorizes waiver of formal bidding procedures pursuant to Ordinance 8, Article 18.8

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the San Lorenzo Valley Water District hereby authorizes staff to purchase two (2) vehicle's replacement for Truck #210, and #311 through negotiated purchase

PASSED AND ADOPTED by the Board of Directors of the San Lorenzo Valley Water District, County of Santa Cruz, State of California, on the 1st day of September 2005, by the following vote of the members thereof:

AYES:
NOS:
ABSTAIN:
ABSENT:

B. Barchi, District Secretary
San Lorenzo Valley Water District