

**CITY OF PALMER  
ACTION MEMORANDUM NO. 13-045**

**Subject:** Authorize the City Manager to Purchase Three (3) New Light Duty Pickup Trucks in the amount of \$96,183.00, as Approved by the 2013 Budget, and to Purchase the Pickup Trucks under the Governmental and Proprietary Procurements Section of Palmer Municipal Code 3.21.230, by Attaching to the State of Alaska Contract Pricing

**Agenda of: June 25, 2013**

**Council Action:** \_\_\_\_\_

**Approved for presentation by:**

<p><b>City Manager</b> <b>City Attorney</b> <b>City Clerk</b></p>	<p><u><i>J Douglas B. Griff</i></u> _____ <u><i>JBY</i></u> _____</p>
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**Certification of Funds:**

Total amount of funds listed in legislation:	\$ <u>96,183</u>
This legislation (√):	
<input type="checkbox"/> Has no fiscal impact	
Creates:	
<input checked="" type="checkbox"/> A negative fiscal impact in the amount of:	\$ <u>96,183</u>
<input type="checkbox"/> A positive fiscal impact in the amount of:	\$ _____
<input checked="" type="checkbox"/> Funds are budgeted.	
_____ Funds originally budgeted:	\$ <u>44,000 in 01-17-10-6053</u>
_____ Difference in budgeted funds:	\$ <u>0</u>
_____ Funds originally budgeted:	\$ <u>44,000 in 02-01-10-6053</u>
_____ Difference in budgeted funds:	\$ <u>0</u>
_____ Funds originally budgeted:	\$ <u>32,000 in 02-10-50-6053</u>
_____ Difference in budgeted funds:	\$ <u>(61)</u>
<input checked="" type="checkbox"/> Funds are budgeted from this (these) line item(s):	
➤ 01-17-10-6053	\$ <u>32,061</u>
➤ 02-01-10-6053	\$ <u>32,061</u>
➤ 02-01-50-6053	\$ <u>32,061</u>
<input type="checkbox"/> Funds are not budgeted.	
Budget amendment required in the total amount of:	\$ _____
Affected line item(s):	
➤	\$ _____
Unrestricted/undesignated fund balance (after budget modification)	\$ _____
Director of Finance signature certifying funds:	_____ <i>[Signature]</i>

**Summary statement:** In the 2013 City of Palmer Council approved budget, funds were budgeted for the purchase of three new light duty pickup trucks for the Department of Public Works. This action memorandum requests authorization to purchase three new pickup trucks from Kendall Ford in Wasilla at a cost of \$32,061 each, using the State of Alaska contract pricing.

The City selected the Ford F350 Extended Cab (four-wheel drive) with a gasoline engine. The City added the following options to be added to the base bid from the State contract: Mud flaps; trailer towing package (class V hitch with brake controller); plow preparation; up-fitter switches; and service box installed and painted to match the truck. Once the options were added, Kendall Ford's price was \$32,061; Alaska Sales and Service was non-responsive; Cal Worthington's price was \$32,928. (Anchorage Chrysler-Dodge would only price a diesel truck.)

One truck will be utilized by the Streets Division, one by the Water Division, and one by the Sewer Division. Each truck will be billed to its division, as per the adopted 2013 budget.

The City of Palmer Administration chose to take advantage of its ability to attach to the State of Alaska contract for the following reasons:

- The City of Palmer did not bear the expense and resources of preparing and carrying out the typical bid process;
- The City of Palmer, by attaching itself to the State of Alaska that purchases many light duty vehicles per year, enjoys a greater discount versus buying one or two vehicles every one to two years; and
- The City of Palmer benefits from the fact that the State of Alaska procurement is locked into fuel, freight, and production rates based on last fall's pricing that is considerably lower than the rapidly escalating fuel and steel surcharges that have increased shipping and production costs over the last six months.

Palmer Municipal Code states the following:

**3.21.230 Governmental and proprietary procurements.**

- A. The purchasing officer may contract, without the use of the competitive source selection procedures of this chapter, for the following supplies, services, professional services or construction:
1. For contracts, including reimbursable agreements, with federal, state or local units of government or utility provider where the city has a financial responsibility or beneficial interest in entering into an agreement.
  2. For contracts issued pursuant to any federal, state, or local government contract where the city is an authorized user, or where the resulting contractor agrees to extend the same terms, conditions, and pricing to the city as those awarded under the original contract, all in accordance with PMC 3.21.240. Such agreements shall be limited to those contracts where the award is issued pursuant to a formally advertised solicitation.
  3. For contracts where the purchasing officer determines in writing that the city's requirements reasonably limit the source for the supplies, services, professional service or construction to one person.
- B. All contract awards under this section, and any amendments thereto, shall be subject to the applicable approval requirements of PMC 3.21.090 prior to execution.

C. No contractor may provide supplies, services, professional services, or construction to the city before the applicable requirements of this section are first satisfied. (Ord. 644 § 4, 2004)

**Administration recommendation:** Approve action memorandum 13-045.