

**CITY COUNCIL COMMUNICATION 98-072  
MARCH 2, 1998 AGENDA**

**SUBJECT:**

**TRUCK BID G98-133**

**SUBMITTED BY:**

**ERIC A. ANDERSON, CITY MANAGER  
JOHN BELLIZZI, PUBLIC WORKS DIRECTOR**

**SYNOPSIS –**

As part of Bid G98-133, the City received bids on four new truck chassis with exchangeable dump bodies, hooklift hoists, material spreaders, and snow plows to be utilized by the Public Works Department. The bids were received from two equipment dealers (Cedar Valley Freight Line of Waterloo, Iowa, and O' Halloran International located at 1780 East Sheridan Avenue, Des Moines, Iowa). The low bid submitted by O' Halloran International in the amount of \$286,764 after trade-in was reviewed, considered compliant, and recommended by the City' s fleet maintenance contractor, Baker Support Services, Inc. (BSSI). (See attached abstract of bids.)

O' Halloran International, the low bidder, reported an optional package of components available at an additional cost of \$401 per truck for a total of \$1,604 on the four units (see attached bid form). At the January 26, 1998 Council meeting, the supplier of the optional package, Eddy-Walker Equipment Company of Des Moines, Iowa, requested preference as a local company. In addition, the manufacturer of the hooklift component in the Eddy-Walker optional package, Swap Loader U.S.A., located at 1800 N.E. Broadway, Polk County, has raised concerns regarding their competition, Stellar Industries, Inc., not having "formally announced" all features of their hooklift to the market and for not furnishing a comparable manufacturers' warranty. Additionally, Swap Loader raised safety concerns about the Stellar unit possibly not furnishing slide-through locking mechanisms and hoist props. Although the City does not recognize Eddy-Walker Equipment Company or Swap Loader as a primary bidder in this matter, the City Council determined that their concerns should be reviewed and bid consideration continued.

**FISCAL IMPACT –**

Funding for purchase of the four trucks with hooklifts, dump and spreader bodies, and snow plows is provided for in the Equipment Replacement Fund.

## **RECOMMENDATION –**

**As per traditional policy on competitive equipment bids, staff concurs with the City’ s contracted fleet maintenance contractor (BSSI) in their recommendation to award purchase to the low compliant bidder, O’ Halloran International, in the amount of \$286,764 after trade-in. Therefore, the purchase of the optional package, which would cost an additional \$1,604, is not recommended.**

## **BACKGROUND –**

To improve the overall efficiency of operations, the Public Works Department previously purchased five dump trucks with new concept hooklifts capable of quickly exchanging dump bodies or spreading units used for snow and ice control. The technology of hooklifts enables the truck driver to exchange dump bodies for hauling operations at construction sites or with chemical and abrasive spreading bodies within minutes rather than hours, when necessary.

In 1993, when the original units were purchased, the Public Works Department recommended and purchased the low bid units which included four trucks with hooklifts manufactured by Swap Loader and one truck, which was bid separately because of different hydraulics, with a hooklift manufactured by Stellar Industries, Inc., of Garner, Iowa. Over the last four years, both the Swap Loader and Stellar hooklift truck components have functioned satisfactorily in terms of performance, maintenance, and safety. With regard to industry credibility and quality, both hooklift suppliers (Swap Loader and Stellar) are major U.S. manufacturers and frequent bid competitors, each having numerous operational units in Iowa and the United States.

For the current bids on the four specified 39,000 GVW trucks and components, City staff has intensively investigated the Eddy-Walker and Swap Loader concerns. The Legal Department, under separate communication to the Council, has addressed the issue of “ local preference bidder” , “ formally announcing” production features, and the comparability of each component manufacturers’ warranty. To address specific technical and safety concerns, multiple meetings, as well as demonstrations of existing City Swap Loader and Stellar hooklift units, have been held for all concerned parties. With regard to safety concerns of the slide-through locking mechanism and hoist props, staff has concluded that both manufacturers meet the specification requirements and that both units are considered safe for all intended operations.

The O’ Halloran International, Inc., president and primary sales person have been very active in the meetings conducted to air all manufacturers’ concerns and subsequent investigations. The Purchasing Agent, Legal and Public Works Departments, and City Manager’ s Office have been furnished information concerning their findings. A letter from O’ Halloran summarizing their findings, copy attached, concludes that their low bid submittal with the Stellar hooklift and the add-on optional Swap Loader hooklift meet City specifications. A complete copy of the investigative report prepared by O’ Halloran is available in the City Manager’ s Office. Staff concurs with O’ Halloran’ s findings, which reinforces the recommendation of this letter.

For Council' s information, the Aviation Department has reviewed a separate section of Bid G98-133 on a similar 33,000 GVW truck chassis with snow plow and hooklift hoist for exchangeable bodies. The Aviation Director' s award recommendation, which will be submitted for approval to the Aviation Board, is attached.

Attachments