

CITY COUNCIL MEETING
OCTOBER 21, 1987

AWARD - ROUGH
TERRAIN CRANE

RES. NO. 87-141
CC-12(d)

City Manager Peterson presented the following bids which had been received for a Rough Terrain Crane:

<u>Supplier</u>	<u>Price</u>
Morgan Equipment Co.	\$157,924.10
Coast Crane Co.	\$185,177.76
Santa Fe Equipment Co.	No response

Council was apprised that this machine will be used in the Electric Utility Department for handling the increasingly larger transformers and vaults used on the system. At present, the City has no equipment capable of handling such material. For scheduled tasks, rental equipment has been utilized. However, under an emergency condition, in the event of a transformer failure at a large commercial complex or an industrial customer, it is very unlikely that equipment can be made available within a reasonable period of time for restoration of service.

This machine will also be used in the warehouse operation to handle the same type of equipment at time of receipt and again when issued. It is further anticipated that the unit will be used at other 'lifting needs' in various other City operations.

Following discussion, Council, on motion of Council Member Pinkerton, Reid second, adopted Resolution No. 87-141 awarding the bid for the purchase of a Rough Terrain Crane to Morgan Equipment Company in the amount of \$157,924.10.

COUNCIL COMMUNICATION

TO: THE CITY COUNCIL

FROM: THE CITY MANAGER'S OFFICE

DATE Meeting of
October 21, 1987

NO.

SUBJECT: AWARD PURCHASE OF ROUGH TERRAIN CRANE (EUD-87-12)

RECOMMENDED ACTION: That the City Council adopt a resolution awarding the bid to the low bidder Morgan Equipment Company in the amount of \$157,924.10.

BACKGROUND INFORMATION: This machine will be used in the Electric Utility Department for handling the increasingly larger transformers and vaults used on the system. At present, the City has no equipment capable of handling such material. For scheduled tasks, rental equipment has been utilized. However, under an emergency condition, in the event of a transformer failure at a large commercial complex or an industrial customer, it is very unlikely that equipment can be made available within a reasonable period of time for restoration of service.

The machine will also be used in the warehouse operation to handle the same type of equipment at time of receipt and again when issued. It is further anticipated that the unit will be used at other 'lifting needs' in various other City operations.

Funding for this purchase was included in the Department's 1987-88 fiscal year equipment budget.

Attached is a copy of the responses to several questions concerning this piece of equipment raised at the September 16 City Council meeting. Also attached is an excerpt from the 1987-88 Budget Message detailing its need.


Henry J. Rice
Electric Utility Director

Attach.

c.c. Assist. Electric Utility Director
Purchasing Officer

BID EVALUATION

ROUGH TERRAIN CRANE

ZUD-87-12

<u>Supplier</u>	<u>Price Incl. Tax</u>	<u>Delivery (Weeks)</u>	<u>Brand</u>
Morgan Equipment Co. Sacramento, CA	\$157,924.10	6	P & H Century 118
Coast Crane Company San Leandro, CA	185,177.76	8	Grove, 528C
Santa Fe Equipment Co. Santa Fe Springs, CA	No Response		

RESOLUTION NO. 87-141

AWARD - CONTRACT FOR PURCHASE OF ROUGH TERRAIN CRANE

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened by the City Clerk of this City on October 6, 1987 at 11:00 a.m. for the contract for Purchase of Rough Terrain Crane, described in the specifications therefor approved by the City Council September 16, 1987; and

WHEREAS, said bids have been compared, checked, and tabulated and a report thereof filed with the City Manager as follows:

<u>Bidder</u>	<u>Amount</u>
Morgan Equipment Co.	\$157,924.10
Coast Crane Co.	\$185,177.76
Santa Fe Equipment Co.	No response

WHEREAS, the City Manager recommends that award for the contract for Purchase of Rough Terrain Crane, be made to the low bidder, Morgan Equipment Company.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lodi that award of contract for Rough Terrain Crane, the low bidder, in the amount of \$157,924.10.

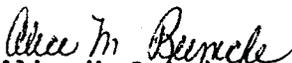
Dated: October 21, 1987

I hereby certify that Resolution No. 87-141 was passed and adopted by the City Council of the City of Lodi in a regular meeting held October 21 1987 by the following vote:

Ayes: Council Members - Hinchman, Pinkerton, Reid, Snider and Olson (Mayor)

Noes: Council Members - None

Absent: Council Members - None


Alice M. Reimche
City Clerk

M E M O R A N D U M

TO: TOM PETERSON, CITY MANAGER

FROM: HENRY J. RICE, ELECTRIC UTILITY DIRECTOR

DATE: OCTOBER 13, 1987

SUBJECT: RESPONSE TO COUNCIL MEMBER PINKERTON'S QUESTIONS

The following answers are offered in response to Council Member Pinkerton's questions at the regular meeting on September 16, 1987, pertaining to the Rough Terrain Crane.

Question #1: Number of times, this year, the Electric Utility Department has rented cranes?

Response: A crane has been rented four times so far this year for prearranged work. Each time it required a minimum of 48 hours preplanned notification.

Question #2: What is the cost per rental?

Response: CITY COST - Our cost has been \$95/hour with a minimum of \$400 per incidence.

CUSTOMER COST - \$25,000 to \$40,000 per hour potential loss due to interrupted production of large industrial customers.

Question #3: How often will we need a crane?

Response: EMERGENCY - Most important - Cannot be planned, but responsible and prudent utility practice requires prompt responses to emergency power restoration.

NON-EMERGENCY - The Department has 12 large industrial transformer units in service subject to emergency change out. Two such units are currently in stock awaiting installation in the field. Two units are on order and need to be unloaded when received and subsequently placed in the field. The City has invested in backup transformers for all classes of customers. However, at present the larger units cannot be handled with existing equipment.

The attached table illustrates prudent operation of other utilities having emergency response capability.

Electric Utility

Crane Availability

Alameda

Purchased 18-ton crane in 1986.

Modesto Irrigation District

Has 30-ton crane in electric equipment inventory.

Pacific Gas & Electric Co.

Has crane available regionally.

Palo Alto

Has truck-mounted crane.

Santa Clara

Has 17-ton rubber tire mounted crane.

S.M.U.D.

Has crane equipment in vehicle fleet.

Turlock Irrigation District

Has crane available through the water operation.

Redding

Can handle largest transformer (1000 KVA) with existing line trucks.

Roseville

Currently budgeting for a crane.

Excerpt
1987-88 Budget Message

20-TON CRANE - This budget provides for the purchase of a 20-ton, rubber tire, mounted crane. The Electric Utility Department's operation has reached sufficient size that such a piece of equipment is necessary. Industrial customer requirements are such that we are now manipulating transformers that weigh up to eight tons. Recent installations of this size are in place at Dart Container Corporation, Pacific Coast Producers, Cottage Bakery's Pastry Express Central Plant, Wallace Computers and California Cushion Company. A transformer of like size will be installed at the Minton Company facility currently under construction. The transformers now in place were installed utilizing rented cranes, available from private crane companies in the area on a scheduled basis. Rental cranes will not work for emergencies, particularly off-hours, should there be a transformer malfunction at one of these key industrial locations or elsewhere in the industrial and commercial communities. Until recently, the department has not been faced with the requirement of working with transformers of such huge weight and dimensions. The reason the 20-ton capacity is required is that as the need to reach out for the equipment to be lifted is increased, the rated capacity of the crane decreases. For example, to lift 20,000 pounds (the weight of a large transformer) from a point 18 feet from the pivot point of the boom, requires a crane with twice that lifting capacity. The staff has thoroughly

researched the alternatives to this acquisition. One, the purchase of used equipment remains a possibility. Other alternatives which have been considered, evaluated and rejected as unacceptable include renting such a crane when an emergency occurs. Crane companies with whom we have been in contact can respond in emergencies if everything falls into place. However, no firm response times can be given. It depends in large part on the availability of equipment and operators. The general consensus is that a six to eight hour delay could be expected at a minimum. With large numbers of employees idled and product either not being processed and/or being damaged by such an extended power outage, this alternate will not suffice. The possibility of borrowing such a piece of equipment from a sister electric utility city, the Sacramento Municipal Utility District, or Pacific Gas & Electric Company is remote, if not out of the question. The prospect of incurring an emergency situation in one's own system while the expensive equipment purchased to quickly respond to such an emergency is "on loan," is a risk that would be impossible to justify. Additionally, this type of equipment is not designed for highway travel. (\$175,000)

Among the uses for this piece of equipment are:

- . Installing transformers at the customer's facility. This is currently being done with rental units at \$100 per hour with a \$400 minimum charge. The Electric Utility Department has already rented such units on four separate occasions this spring.
- . Loading and unloading transformers in the warehouse yard. These units are shipped on flat bed trucks and the purchaser (in this case the City of Lodi) is expected to be able to unload when the truck arrives. At the present time a fork lift and a line truck are used as a "team" to lift the units. The flat bed truck is then eased out and the transformers very carefully lowered to the ground. This is not a recommended material handling process.

- . Handling and setting large precast, concrete vaults. The department's existing equipment is at, or exceeding rated capacity, when performing these tasks.

- . Assisting other departments in maintenance and repair operations. In the past, cranes have been rented to lift standby generators. At the White Slough Water Pollution Control Facility, the lifting of large motors has proven to be difficult mainly because of the reach-capacity problem.