



7/29/24

Memorandum

To: Steve Giesbrecht, Borough Manager  
Cc: Mayor Jensen and Members of the Borough Assembly  
Karl Hagerman, Utilities Director  
From: Chris Cotta, Public Works Director  
Re: PMPL #99 and #102 Replacements

The FY25 approved Borough budget includes line items for replacement of PMPL #99 Material Handler (\$350,000 budget) and PMPL #102 Digger Derrick (\$375,000 budget). Motor Pool has been working with Power & Light to identify suitable replacement vehicles. Due to the very long lead times for custom builds, it was decided to procure stock units that are available now and will meet the needs of the Utilities Dept with minimal upfitting after purchase. Buying in-stock units also ensures that we will avoid price increases that may occur over the next few years and would apply to any units on order during that time. Utilities Director Hagerman has provided a memo of support (attached) that explains the process behind selection of the subject vehicles.

Global Rental Co., Inc. has supplied a quote of \$270,079 for a new Altec AM55 Material Handler to replace current PMPL #99. This unit comes in at \$79,921 under the approved budget of \$350,000. For #102 Digger Derrick, Altec has supplied a quote for a new Altec D3060H-TR Digger for a price of \$355,234 which is \$19,766 less than the approved budget of \$375,000. Both quotes are attached for reference. Pricing for both trucks was supplied through Sourcewell, which is a purchasing cooperative that serves many government entities and utilizes pre-bid equipment contracts. Borough code allows this type of purchasing process, as follows:

*Code Section 4.04.040 (Exceptions to Bidding), Section G States: When it is advantageous to the borough to enter into a contract with a bidder for the same supplies or services such bidder is providing another Alaskan local government, the state of Alaska, a cooperative purchasing association composed of government agencies, or the United States, where such supplies, equipment or services are being provided to the other governmental unit or association on the basis of competitive bids submitted; and where the borough contract is on substantially the same terms as those bid; or to contract with or through such other governmental unit or association so that the benefit of the responsible bid accrues to the borough;*

These proposed vehicle replacements adhere to Borough purchasing code and the cost in both cases is under the amount budgeted. Payment for the vehicles will be taken from Power & Light's Motor Pool reserves, which are currently in excess of \$675,000 dollars. The trucks being retired will be surplus after the new trucks are placed in service and any amounts received from the sales will be used to offset the cost of the new units.

For the preceding reasons, Public Works recommends award of these vehicle purchases to Global Rental Co., Inc. in the total amount of \$625,313. If you agree with this recommendation, please forward it to the Borough Assembly for consideration at their next regular meeting on August 5<sup>th</sup>, 2024. Thank you.

Attachments: PMPL Memo of Support (1 page)  
Global Rental Co., Inc. Quotes (1 page each, 2 pages total)  
FY25 Motor Pool Replacement Memo (2 pages)