

# Heber Public Utility District

## REPORT TO BOARD OF DIRECTORS

**MEETING DATE:** August 20, 2015.

**FROM:** Laura Fischer, General Manager

**SUBJECT:** Award the bid for a Sewer Cleaner (Vactor) to Haaker Equipment Company.

**ISSUE:**

Shall the Board of Directors award the bid to purchase a new sewer cleaner (vactor) truck to Haaker Equipment Company and authorize the expenditures?

**GENERAL MANAGER'S RECOMMENDATION:**

It is recommended that the Board of Directors award the bid to purchase a sewer cleaner (Vactor) truck from Haaker Equipment Company and authorize the expenditures.

**FISCAL IMPACT:**

The FY 2015-16 budget has \$75,000 budgeted for the purchase of a sewer cleaner vactor truck. At the June Board meeting the Board authorized the expenditure from the wastewater fund balance. After that meeting, staff met with representatives from USDA to discuss the possibility of using Short Lived Asset Funds from the USDA reserve account. It was determined that this account is available for use for this equipment.

According to the Bond documents, HPUD must make an annual deposit into the Short Lived Asset Reserve Fund in the amount of \$47,533. We have been making this deposit as required. It also states that the District may withdraw amounts from the fund for any lawful purpose of the water system. Such purposes include, without limitation, emergency maintenance, extension of facilities and the replacement of short lived assets. HPUD does not need permission from USDA to expend these funds. ‘

In the past, HPUD has used these funds to purchase some pumps, computer servers and other assets on the list. HPUD's Short Lived Asset Fund has a balance of \$213,899. It is recommended that at minimum \$47,533, which is one year payment, be maintained in this fund.

The total cost for the sewer vactor truck is: \$292,761. The cost for the vactor truck will be distributed as follows:

<b>SEWER CLEANER TRUCK COST DISTRIBUTION</b>		
	<b>FY 2015-16 Budget</b>	<b>Actual Cost Allocation</b>
Parks Fund	20,000	20,000
Water Fund	20,000	20,000
Wastewater Fund	35,000	35,000
<b>TOTAL</b>	<b>75,000</b>	
<b>ADDITIONAL FUNDS NEEDED FOR PURCHASE</b>		
<i>Wastewater Fund Balance</i>		
<i>APPROVED June 2015</i>		75,000
<i>Water Fund Short Lived Assets</i>		142,761
<b>TOTAL</b>		<b>292,761</b>

#### **DISCUSSION:**

At the last Board meeting, staff was authorized to submit a Request for Bids for the sewer cleaner (Vactor) truck. Staff prepared and submitted the bid request and we received 1 bid. The bid was opened on August 14, 2015 at 10:00am at HPUD office.

The lowest bidder for the sewer cleaner truck was Haaker Equipment Company for an amount of \$292,761.

#### **CONCLUSION:**

The HPUD staff followed the legal requirements to bid the purchase of the equipment, and we received 1 bid. The lowest bidder has the ability to fill the requirements of the bid documents, and it is recommended that the HPUD Board award the bid to Haaker Equipment Company for an amount of \$292,761. Staff also recommends authorization to expend \$142,761 from the Water Fund Short Lived Assets and \$75,000 from the Sewer Fund Balance.

#### **ALTERNATIVES:**

- 1) Do not authorize the purchase of the sewer cleaner truck to Haaker Equipment Co., and provide direction to staff.
- 2) Authorize the purchase of the sewer cleaner truck to Haaker Equipment Co., but modify the fund expenditures.

Respectfully Submitted,

Laura Fischer,  
General Manager