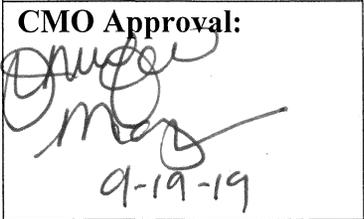


**CITY COUNCIL ACTION REQUEST**

<b>Department(s):</b> Finance	<b>CEQA:</b> Not a Project, File No. Public Project Number PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment	<b>Coordination:</b> Department of Public Works, City Attorney's Office, City Manager's Budget Office	<b>Dept. Approval:</b> /s/ Julia H. Cooper
<b>Council District(s):</b> Citywide			<b>CMO Approval:</b>  9-19-19

**SUBJECT ACTIONS RELATED TO THE PURCHASE ORDER 56516 WITH HERC RENTALS INC. FOR CONSTRUCTION EQUIPMENT RENTAL SERVICES**

**RECOMMENDATION:**

Adopt a resolution authorizing the City Manager to:

- (a) Amend Purchase Order 56516 with Herc Rentals, Inc. (Dallas, TX) to increase the amount of total compensation by \$150,000, for a revised maximum compensation not to exceed \$400,000 for the remainder of the current term ending on or about October 31, 2019; and
- (b) Execute additional purchase orders for subsequent rentals with Herc Rentals, leveraging the pricing from the U.S. Communities Cooperative agreement through the five-year term ending October 31, 2023, subject to annual appropriations of funds.

**Desired Outcome:** Ensure that the City of San Jose has the sufficient equipment required to cover the myriad of projects and power generator units in the event of an emergency.

**BASIS FOR RECOMMENDATION:**

The Fleet Management Division of the Department of Public Works is responsible for overseeing and facilitating equipment rentals, such as generators, trash pumps, man lifts, etc., for all City departments. It is often more efficient and cost-effective to rent specialized equipment rather than to purchase. In the last year, Fleet has seen an increase in the rentals of specialized equipment due to the changing needs and the complexity of various City project requirements. In addition, Fleet must now rent power generator units to prepare and serve as the City's power back-up should the City's critical infrastructure be compromised due to a PG&E public safety power shutdown or other emergencies.

The City has been leveraging the pricing from the U.S. Communities Cooperative agreement with Herc Rentals for equipment rentals since 2018. The lead agency for this Cooperative is the City of Charlotte, NC. The City's use of this Cooperative is consistent with San José Municipal Code Section 4.12.225.B.3 titled "Public Agencies Purchases," which allows the City to leverage another public agency's procurement if its competitive process substantially complies with the City's procurement procedures and names third party beneficiaries as part of the competitive procurement process. Staff verified that this cooperative is consistent with Municipal Code Requirements.

Approval of this recommendation will help ensure Public Works has the additional funding needed to rent specialized equipment as required for various City projects and emergency events.

Commission Recommendation/Input: There is no commission recommendation or input associated with this action.

This Council item is consistent with the City's 2018-2019 Adopted Operating Budget City Areas Delivery Framework: "To have safe and functional public infrastructure, facilities, and equipment."

**COST AND FUNDING SOURCE:**

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. for Recommendation	2019-2020 Operating Budget Page	Last Budget Action (Date, Ord. No)
552	0572	Non-Personal/Equipment	\$1,837,143	\$150,000	N/A	06/18/19 30286

**FOR QUESTIONS CONTACT:** Jennifer Cheng, Deputy Director, Finance at (408) 535-7059