CITY OF PALO ALTO

CITY OF PALO ALTO
CITY COUNCIL
Monday, September 15, 2025
Council Chambers & Hybrid
5:30 PM

Agenda Item

7. Approval of the Third Amended and Restated Purchase Order Number 4521000199 with Altec Industries, Inc., to Increase the Purchase Order Amount by $365,983 to a New Not-to-Exceed Amount of $1,073,075, including a Contingency Amount of $51,099, for the Purchase of Two 2025 Peterbilt 548 Hydraulic Digger Derricks; and Amend the FY 2026 Budget in the Vehicle Replacement and Maintenance Fund and the Electric Fund; CEQA Status – Exempt, Not a Project

CITY OF PALO ALTO

City Council Staff Report

From: City Manager
Report Type: CONSENT CALENDAR
Lead Department: Public Works

Meeting Date: September 15, 2025
Report #:2504-4567

TITLE

Approval of the Third Amended and Restated Purchase Order Number 4521000199 with Altec Industries, Inc., to Increase the Purchase Order Amount by $365,983 to a New Not-to-Exceed Amount of $1,073,075, including a Contingency Amount of $51,099, for the Purchase of Two 2025 Peterbilt 548 Hydraulic Digger Derricks; and Amend the FY 2026 Budget in the Vehicle Replacement and Maintenance Fund and the Electric Fund; CEQA Status – Exempt, Not a Project

RECOMMENDATION

Staff recommends that the City Council:

1. Approve and authorize the City Manager or their designee to amend Purchase Order No. 4521000199 with Altec Industries, Inc., to increase the previously approved Purchase Order amount by $365,983, for a new total not-to-exceed amount of $1,073,075, which includes a 5% contingency in the amount of $51,099 for unforeseen cost increases, for the purchase of two 2025 Peterbilt 548 Hydraulic Digger Derricks, utilizing a cooperative purchase agreement via Sourcewell, a cooperative purchasing agency serving government and not-for-profit organizations; and
2. Amend the Fiscal Year 2026 Budget Appropriation (by a 2/3 vote) for
   a. the Utilities Electric Fund by:
      i. Increasing the transfer to the Vehicle Replacement and Maintenance Fund in the amount of $365,983; and
      ii. Decreasing the Electric Distribution Reserve in the amount of $365,983; and
   b. the Vehicle Replacement and Maintenance Fund by:
      i. Increasing the transfer from the Utilities Electric Fund to the Scheduled Vehicle and Equipment Replacement Fiscal Year 2020 project (VR-20000) by $365,983; and
      ii. Increasing the expense appropriation for the Scheduled Vehicle and Equipment Replacement Fiscal Year 2020 project (VR-20000) by $365,983.

BACKGROUND

On January 11, 2021, Council approved Purchase Order 4521000199 with Altec Industries, Inc. (Altec) in the amount of $633,866 for two new Digger Derrick Peterbilt crane trucks to replace units 7602 and 7603 (ID# 11582).[1] The January 11, 2021 staff report describes the function of the trucks and the justification for their replacement. On November 29, 2021, Council approved Amendment #1 to Purchase Order 4521000199 with Altec Industries Inc., increasing the total by $33,202. This established a revised not-to-exceed amount of $667,068 for the procurement of two new trucks (ID #13652).[2] This increase was primarily due to the rise in materials costs as a result of the Covid pandemic.

On February 9, 2022, Altec reached out to Public Works Fleet staff again and indicated that the rise in materials costs had continued, and that Peterbilt had discontinued the 348 model, as originally specified, due to supply chain issues. Peterbilt replaced the 348 model with the more expensive 548 model and secured two 548 chassis build slots for the City. On June 6, 2022 Council approved Amendment #2 for Purchase Order 4521000199 providing a $40,024 increase to cover costs and resulting in a new total purchase cost of $707,092 (ID# 14193).[3]

Subsequent to Council approval, staff worked with the manufacturer through a variety of supply chain and model adequacy issues. As a result, staff recommends a modified purchase specification.

While the City has established a long-term goal of fleet electrification, electric alternatives for this class of heavy-duty digger derrick trucks are not currently available on the market. The specialized functions of these trucks—such as supporting pole setting, line work, and heavy lifting—require significant payload and power capacity that electric technology has yet to meet. Leasing was considered as a potential short-term solution to avoid committing to a diesel purchase; however, due to limited availability of such specialized units and the high costs associated with long-term lease arrangements, leasing is not a viable option. Proceeding with this diesel purchase is therefore recommended to ensure service reliability while the City continues to monitor technological advancements in heavy-duty electric utility vehicles.

ANALYSIS

On July 22, 2025, the City received updated quotes for two Digger Derricks on the 548 chassis (Attachment A). The upgraded chassis is equipped with dual-rear axles to support the additional

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[1] City Council, January 11, 2021, Agenda Item #5, SR# 11582
https://portal.laserfiche.com/Portal/DocView.aspx?id=192215&repo=r-704298fc

[2] City Council, November 29, 2021; Agenda Item #5; SR# 13652
https://portal.laserfiche.com/Portal/DocView.aspx?id=61761&repo=r-704298fc&searchid=be0edcd1-e89c-4a3b-9e03-e15e3632a4fb

[3] City Council, June 6, 2022; Agenda Item #4; SR# 14193;
https://portal.laserfiche.com/Portal/DocView.aspx?id=59506&repo=r-704298fc&searchid=be0edcd1-e89c-4a3b-9e03-e15e3632a4fb

weight capacity needed. The $365,983 price increase is primarily a result of this chassis upgrade, but also includes increases related to enhanced equipment specifications on the newer DH50E and D3060E models, high volatility in material costs affecting manufacturing, and 24-month delivery timelines (incorporating inflationary adjustments). Additionally, a contingency of $51,099 is requested to mitigate unforeseen cost fluctuations given current market conditions. The revised not-to-exceed amount of $1,073,075 allows for the purchase of two properly sized chassis‘ to accommodate the addition of the DH50E and D3060E model derricks with utility bodies.

Procurement Process

Palo Alto Municipal Code section 2.30.360 (j) allows the use of cooperative purchasing agreements in lieu of conducting a competitive solicitation. Altec was awarded a contract by Sourcewell, a cooperative purchasing agency serving governmental, higher education, K-12 education, not-for-profit, tribal government, and other public agencies. Sourcewell conducted a Request for Proposals under which Altec Capital was an awarded vendor. Altec’s contract with Sourcewell was subsequently amended to allow Altec to increase its contract pricing.

Staff recommends that Council approve the purchase order with Altec Industries, Inc. (Attachment B) for the purchase of two 2025 Peterbilt 548 Hydraulic Digger Derricks. Staff has considered alternatives and believes this remains the most cost-effective means of procuring the required equipment. If this request is not approved, the City will forfeit the two 2025 Peterbilt 548 chassis that are designated for this build. Staff would then have to request a new specification and quote for a later year model chassis and return to Council for approval. This would further increase the purchase cost and delay the delivery of these new vehicles.

FISCAL/RESOURCE IMPACT

To fund the purchase recommended in this report, the Fiscal Year 2026 budget will be amended by increasing the transfer from the Electric Fund to the Vehicle Replacement and Maintenance Fund and decreasing the Electric Distribution Reserve by $365,983 and increasing both expense and revenue in the Scheduled Vehicle and Equipment Replacement Fiscal Year 2020 Project (VR-20000) by $365,983. The purchases of the two 2025 Peterbilt 548 Hydraulic Digger Derrick trucks were planned in the Fiscal Year 2020 Scheduled Vehicle and Equipment Replacement Capital Improvement Project (VR-20000). As a result of all the changes, each truck’s cost is now estimated at $510,988, when originally, they were estimated at $316,933 in 2021.

STAKEHOLDER ENGAGEMENT

Requests for vehicle replacements are presented to the Fleet Review Committee (FRC) for approval during the development of the proposed budget and any deviation from these plans is also reviewed by the FRC. The FRC is comprised of executive leadership representatives from the Public Works and Administrative Services Departments and the City Manager’s Office.

Additionally, Fleet staff review proposed vehicle replacements with the departments using the vehicles.

ENVIRONMENTAL REVIEW
This purchase is exempt from the provisions of the California Environmental Quality Act (CEQA) under Sections 10560 and 10561.

ATTACHMENTS
Attachment A: Sourcewell Quote
Attachment B: Purchase Order

APPROVED BY:
Brad Eggleston, Director Public Works/City Engineer

Altec Industries, Inc.

Quote Number:	1512085
Opportunity Number:	23081082
Sourcewell Contract #:	110421-ALT
Date:	7/22/2025

Quoted for: City of Palo Alto
Customer Contact: Danitra Bahlman
Phone: / **Email:** 650-496-5920 / danitra.bahlman@cityofpaloalto.org
Quoted by: Allyson Day
Email: allyson.day@altec.com
Altec Account Manager: Michael Russell

REFERENCE ALTEC MODEL		Sourcewell Price
DH50	**50' Fully Hydraulic derrick, rear mount**	**$329,955**

(A.) SOURCEWELL OPTIONS ON CONTRACT (Unit)

1	DH50-E	50' Electric / Hydraulic Derrick, Rear Mount (DH50E)	$5,451

(A1.) SOURCEWELL OPTIONS ON CONTRACT (General)

1	RADIO	RADIO REMOTE CONTROLS (Required with Platfrom)	$16,414
2	BOSL	Boom Out of Stow Indicator for Lower Boom	$385
3	UHPP	UHPP – Hydraulic pole puller. Used to pull poles for replacement.Comes with 7' of 1/2" high tensile chain and a base. Powered bylower tool circuit at 8 gpm.	$2,592
4	HRS	HOSE REEL. Spring Loaded for Mounting 25' Conductive Hoses with HTMA Quick Couplings that Come with the Lower Tool Circuit. When it is an available option, Lower Tool Circuit Must be Ordered Separately.	$2,088
5	POP1	Plastic Outrigger Pad, 24" x 24" x 1" (Pair)	$597
6	SPOT4	SIX (6) POINT STROBE SYSTEM (LED)	$1,220
7	DLB2	Directional Light Bar (Amber, 42"L, Super-LED)	$2,254
8	SPOT6	Remote Spot Light, LED, Permanent Mount, With Wireless Dash Mounted Controls And Programmable Wireless Remote	$1,066
	PSWI2	Inverter with minimum 3000W 120V @ 25A pure sine wave output, hardwired to outlets and 12VDC input.	$3,766
	BATSTOR	Deep Cycle Auxiliary Battery for Vented Applications & Remote Steel Enclosure	$2,154
	VRI	120 Volt GFCI Receptacle, Includes Weather-Resistant Enclosure (3)	$1,095
	VCAM	Backup Camera System	$1,313
	PTO-HM	PTO Hour Meter Digital with 10,000 Hour Display	$182
		SOURCEWELL OPTIONS TOTAL:	$370,532

(B.) **OPEN MARKET ITEMS** *(Customer Requested)*

1	UNIT	Custom Unit Options	$13,151
2	UNIT & HYDRAULIC ACC	Unit/Hydraulic Custom options	$8,163
3	BODY	Custom body ILO standard body	$27,938
4	BODY & CHASSIS ACC	Custom body & chassis accessories	$10,867
5	ELECTRICAL	Custom electrical options	$6,223
6	FINISHING	Paint, Non-skid, Inbound Freight, & Inspection	$25,436
7	CHASSIS	MY27 Peterbilt 548	$55,095
8	OTHER		$0
		OPEN MARKET OPTIONS TOTAL:	$146,873

SUB-TOTAL FOR UNIT/BODY/CHASSIS:	**$517,405.00**
Delivery to Customer:	**$715.00**
Estimated Taxes (Delivery non-taxable):	**TBD**
FET:	**TBD**
CA Doc/Admin/Tire Fees:	**$542.50**
Extended Warranty:	**$12,160.00**
Sentry Training	**$4,552.96**
TOTAL FOR UNIT/BODY/CHASSIS:	**$535,375.46**

Pricing valid for 45 days

NOTES

PRICING: Altec will make every effort to honor this quotation, subject to the following provisions. Prices for equipment with production start dates 12 months and beyond are budgetary only due to irregular cost inflation and market volatility. These prices will be reviewed based on market conditions and confirmed closer to the production date. Quotes and orders with chassis model year beyond the current open order bank, should be considered estimates only. Altec's turn-key pricing is subject to change in accordance with chassis pricing received from the OEM. Chassis model year, specifications and price will be reviewed and confirmed when specific model year information becomes available from the OEM and that chassis price difference will be passed through to the customer.

PAINT COLOR: White to match chassis, unless otherwise specified
WARRANTY: Standard Altec Warranty for Aerials and Derricks - One (1) year parts warranty One (1) year labor warranty Ninety (90)
TO ORDER: To order, please contact the Altec Account Manager listed above.
CHASSIS: Per Altec Commercial Standard
DELIVERY: No later than **24** months ARO, FOB Customer Location
TERMS: Net 30 days
BEST VALUE: Altec boasts the following "Best Value" features: Altec ISO Grip Controls for Extra Protection, Only Lifetime Warranty on Structural Components in Industry, Largest Service Network in Industry (Domestic and Overseas), Altec SENTRY Web/CD Based Training, Dedicated/Direct Gov't Sales Manager, In-Service Training with Every Order.
TRADE-IN: Please ask your Altec Account Manager for more information
BUILD LOCATION: TBD

Altec Industries, Inc.

Quote Number: 1666173
Opportunity Number: 24118673
Sourcewell Contract #: 110421-ALT
Date: 7/22/2025

Quoted for: City of Palo Alto
Customer Contact: Danitra Bahlman
Phone: / **Email:** 650-496-5920 / danitra.bahlman@cityofpaloalto.org
Quoted by: Allyson Day
Email: allyson.day@altec.com
Altec Account Manager: Michael Russell

REFERENCE ALTEC MODEL			Sourcewell Price
D3060E		**60' Digger Derrick**	**$353,741**

(A.) SOURCEWELL OPTIONS ON CONTRACT (Unit)

1	D3060E-JIB	10ft. Material Handling Jib	$1,584

(A1.) SOURCEWELL OPTIONS ON CONTRACT (General)

1	BOSL	Boom Out of Stow Indicator for Lower Boom	$385
2	BOSU	Boom Out of Stow Inficator for Upper Boom	$385
3	MCR1	JIB ADAPTER. Jib adapter is for Altec 4.1" x 4.1" Square Jibs (Square to Round Conversion)	$871
4	UA18	18" Diameter Dirt Auger Full Flight	$1,912
5	UHPP	UHPP – Hydraulic pole puller. Used to pull poles for replacement.Comes with 7' of 1/2" high tensile chain and a base. Powered bylower tool circuit at 8 gpm.	$2,592
6	RBS	Rubber Belted Step	$546
7	POP1	Plastic Outrigger Pad, 24" x 24" x 1" (Pair x2)	$1,194
8	CH-R	Cone Holder,Ring Style (qty 2)	$628
9	SPOT4	SIX (6) POINT STROBE SYSTEM (LED)	$1,220
10	DLB2	Directional Light Bar (Amber, 47"L, Super-LED)	$2,254
11	SPOT6	Remote Spot Light, LED, Permanent Mount, With Wireless Dash Mounted Controls And Programmable Wireless Remote	$1,066
12	VCAM	Backup Camera System	$1,313
13	PSWI2	Inverter with minimum 3000W 120V @ 25A pure sine wave output, hardwired to outlets and 12VDC input.	$3,766
14	BATSTOR	Deep Cycle Auxiliary Battery for Vented Applications & Remote Steel Enclosure (2)	$4,308
15	VRI	120 Volt GFCI Receptacle, Includes Weather-Resistant Enclosure (3)	$1,095
16	PTO-HM	PTO Hour Meter Digital with 10,000 Hour Display	$182
		SOURCEWELL OPTIONS TOTAL:	$379,042

(B.) **OPEN MARKET ITEMS** *(Customer Requested)*

1	UNIT	Custom unit options	$8,130
2	UNIT & HYDRAULIC ACC	Unit/Hydraulic Custom options	$11,278
3	BODY	Custom body ILO preferred body	$15,244
4	BODY & CHASSIS ACC	Custom body & chassis accessories	$6,336
5	ELECTRICAL	Custom electrical options	$4,879
6	FINISHING	Paint, non-skid, inbound freight, & inspection	$27,251
7	CHASSIS	Peterbilt 548 MY2027 ILO Freightliner M2-106	$21,023
		OPEN MARKET OPTIONS TOTAL:	$94,141

SUB-TOTAL FOR UNIT/BODY/CHASSIS:	**$473,183.00**
Delivery to Customer:	**$715.00**
Estimated Taxes (Delivery non-taxable):	**TBD**
FET:	**TBD**
CA Doc/Admin/Tire Fees:	**$542.50**
Extended Warranty:	**$12,160.00**
TOTAL FOR UNIT/BODY/CHASSIS:	**$486,600.50**

Pricing valid for 45 days

NOTES

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PAINT COLOR: White to match chassis, unless otherwise specified
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TO ORDER: To order, please contact the Altec Account Manager listed above.
CHASSIS: Per Altec Commercial Standard
DELIVERY: No later than **24** months ARO, FOB Customer Location
TERMS: Net 30 days
BEST VALUE: Altec boasts the following "Best Value" features: Altec ISO Grip Controls for Extra Protection, Only Lifetime Warranty on Structural Components in Industry, Largest Service Network in Industry (Domestic and Overseas), Altec SENTRY Web/CD Based Training, Dedicated/Direct Gov't Sales Manager, In-Service Training with Every Order.
TRADE-IN: Please ask your Altec Account Manager for more information
BUILD LOCATION: TBD

City of Palo Alto

Purchasing and Contract Administration
P.O.Box 10250
Palo Alto CA 94303
Tel:(650)329-2271 Fax:(650)329-2468

Purchase Order

Vendor Address

ALTEC INDUSTRIES INC
325 INDUSTRIAL WAY
DIXON CA 95620

Tel: 707-678-0800 Fax: 707-678-1038

Ship To:

Equipment Management Division
City of Palo Alto
3201 East Bayshore Road
Palo Alto CA 94303

Bill To:

City of Palo Alto
Account Payable
P.O.Box 10250
Palo Alto, CA 94303

P.O. NUMBER MUST APPEAR ON ALL INVOICES, PACKAGES, SHIPPING PAPERS AND CORRESPONDENCE PERTAINING TO THIS ORDER

PO Number	4521000199
Date	11/19/2020
Vendor No.	100455
Payment Terms	Payment Due 30 days
FOB Point	F.O.B. Palo Alto
Ship via	Vendor to ship bestway
Required Date	06/30/2022
Buyer/Phone	Renee Howard / 650-496-5900
Email	renee.howard@cityofpaloalto.org

DELIVERIES ACCEPTED ONLY BETWEEN 7:00 AM & 3:00 PM UNLESS OTHER ARRANGEMENTS ARE INDICATED HEREIN

Item	Material/Description	Quantity	UM	Net Price	Net Amount
	"This Third Amended and Restated Purchase Order with Altec Industries, Inc., effective as of 09/18/25 SR#2504-4567 hereby amends and restates the Amended and Restated Purchase Order No. 4521000199 dated 12/06/2021 with Altec Industries, Inc. This Third Amended and Restated Purchase Order hereby supersedes that Amended and Restated Purchase Order dated 05/23/2022." *Item 10 to add 191,765 Value: $311,494.00 New Value: $503,259* *Item 40 to add $142,990 Old Value $311,494.00 New Value: $454,484* *Item 80 to add $31,229. Old Value: $19,870 New Value: $51,099 New NTE: $1,073,076* *"This Second Amended and Restated Purchase Order with Altec Industries, Inc., effective as of 05/23/2022, hereby amends and restates the Amended and Restated Purchase Order No. 4521000199 dated 12/06/2021 with Altec Industries, Inc. This Second Amended and Restated Purchase Order hereby supersedes that Amended and Restated Purchase Order dated 12/06/2021."* *"This Purchase Order is issued under NJPA contract#012418-ALT."* *"This Purchase Order hereby attaches and incorporates into this Purchase Order the following attachments by reference as though fully set forth herein:* *- NJPA Contract # 012418-ALT*				

Cecilia Magana

Chief Procurement Officer

THIS P.O. IS SUBJECT TO THE TERMS AND CONDITIONS STATED BELOW AND ON THE LAST PAGE
SPECIFICATIONS - Any specification and /or drawings referred to and/or attached hereto are expressly made a part of this Purchase Order.
DELIVERY - Please notify the City promptly if delivery cannot be made on or before the date specified. If partial shipment is authorized, so indicate on all documents. Complete packing lists must accompany each shipment.
INVOICE - A separate invoice is required for each order. Send to address indicated above.

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Ship via	Vendor to ship bestway
Required Date	06/30/2022
Buyer/Phone	Renee Howard / 650-496-5900
Email	renee.howard@cityofpaloalto.org

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Item	Material/Description	Quantity	UM	Net Price	Net Amount
	- NJPA Contract 5th year extension *- NJPA Contract # 012418-ALT # Contract Acceptance and Award* *- 012418-ALT Price Information* *- Quote Number: 694090-1 Dated 03/14/2022* *- Contract amendment to NJPA contract #012418-ALT,dated 9-14-2021* *- City of Palo Alto Purchase Order Terms and Conditions(Goods)"*				
0010	50' Derrick w crane Model 548 - 7604 *Purchase new 2022 Altec Hydraulic Derrick Digger w Crane* *Sourcewell Contract: 012418-ALT Quote #: 694090-1 dated 3/14/2022* *SUB-TOTAL FOR UNIT/BODY/CHASSIS: $287,399 + Peterbilt Chassis Surcharge 2021: $4,960 & Altec Material Surcharge: $9,924 + Peterbilt Mandated Model Update 348 to 548: $7,951 - Chasis Simplication: $2,240 + Peterbilt Chassis Surcharge 2022: $3,500* *Delivery: 12-15 months after receipt of PO* *new unit 7604 (replaces 7602) Utils-Elec* *Unit price not to exceed $687,221*	503,259	USD	1.00	503,259.00

Cecilia Mazana

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Email	renee.howard@cityofpaloalto.org

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	Project Manager: Danitra Bahlman 650-496-5920 *FLEET MANAGER: Danitra Bahlman 650-496-5920* *Danitra.Bahlman@cityofpaloalto.org* *SEND INVOICE TO: EQUIPMENT MANAGEMENT*				
0020	DMV docs - 7604 *Vendor shall handle DMV registration*	125	USD	1.00	125.00
0030	delivery	3,568	USD	1.00	3,568.00
0040	50' Derrick w crane Model 548 - 7606 *Purchase new 2022 Altec Hydraulic Derrick Digger w Crane* *Sourcewell Contract: 012418-ALT Quote #: 694090-1 dated 3/14/2022* *SUB-TOTAL FOR UNIT/BODY/CHASSIS: $287,399 + Peterbilt Chassis Surcharge 2021: $4,960 & Altec Material Surcharge: $9,924 + Peterbilt Mandated Model Update 348 to 548: $7,951 - Chasis Simplication: $2,240 + Peterbilt Chassis Surcharge 22: $3,500*	454,484	USD	1.00	454,484.00

Cecilia Mazana

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DIXON CA 95620

Tel: 707-678-0800 Fax: 707-678-1038

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Required Date	06/30/2022
Buyer/Phone	Renee Howard / 650-496-5900
Email	renee.howard@cityofpaloalto.org

DELIVERIES ACCEPTED ONLY BETWEEN 7:00 AM & 3:00 PM UNLESS OTHER ARRANGEMENTS ARE INDICATED HEREIN

Item	Material/Description	Quantity	UM	Net Price	Net Amount
	Delivery: 12-15 months after receipt of PO				
	new unit 7606 (replaces 7603) Utils-Elec				
0050	DMV docs - 7606	125	USD	1.00	125.00
	Vendor shall handle DMV registration				
0060	delivery	3,568	USD	1.00	3,568.00
0070	Sales Tax	56,848	USD	1.00	56,848.00
	SUBTOTAL $687,221.00				
0080	contingency	51,099	USD	1.00	51,099.00
	Contingency of $19,870 for any unexpected increases to price.				
				Sub-Total	1,073,076.00
	**** ORDERING VIA EMAIL ****				
	***** PRICE HAS BEEN QUOTED *****				

Total 1,073,076.00

Cecilia Mazana

Chief Procurement Officer

THIS P.O. IS SUBJECT TO THE TERMS AND CONDITIONS STATED BELOW AND ON THE LAST PAGE
SPECIFICATIONS - Any specification and /or drawings referred to and/or attached hereto are expressly made a part of this Purchase Order.
DELIVERY - Please notify the City promptly if delivery cannot be made on or before the date specified. If partial shipment is authorized, so indicate on all documents. Complete packing lists must accompany each shipment.
INVOICE - A separate invoice is required for each order. Send to address indicated above.

TERMS AND CONDITIONS OF PURCHASE

ACCEPTANCE/AGREEMENT: City of Palo Alto (City) reserves the right to reject any and all quotations, to waive any informalities, and, unless otherwise specified by Seller, to accept any item in a quotation. By accepting or filing this Purchase Order (P.O.), Seller agrees to the terms and conditions herein which shall prevail over any inconsistent provision in any form or other paper submitted by Seller. All shipments or services performed shall be deemed to have been made pursuant hereto. No other terms are acceptable. This P.O., including all specifications and drawings, shall constitute the entire agreement between the parties unless modified in writing by City.

CITY'S PROPERTY: Seller agrees that the information, tools, jigs, dies, or materials, and drawings, patterns, and specification supplied or paid for by City shall be and remain City property and shall be held by Seller for City unless directed otherwise. Seller shall account for such items and keep them protected, insured, and in good working conditions without expense to City.

DELIVERY: The terms of delivery are as stated on the reverse side hereof. The obligation of Seller to meet the delivery dates, specifications, and quantities set forth herein is of the essence of this P.O. No boxing, packing, or cartage charge will be allowed unless authorized by this P.O. Deliveries are to be made both in quantities and at times specified herein or, if not, such quantities and times are specified pursuant to City's written instruction. Items not delivered may be canceled without penalty to City. Shipments in greater or lesser quantity that ordered may be returned at Seller's expense unless written authorization is issued by City.

PRICES: The price which Seller charges in filling this P.O. shall not be higher than Seller's most recent quote or charge to City for such materials, supplies, services and/or installations unless City expressly agrees otherwise in writing. Notwithstanding the prices set forth the P.O. City shall receive the benefit of any general reduction in the price of any item(s) listed herein which may be made by Seller at any time prior to the last delivery of goods or services covered by this P.O.

TERMINATION: City shall have the right to terminate this P.O. or any part thereof upon ten (10) days notice in writing to Seller.

(1) Without Cause. City may terminate all or any part of this P.O. without cause. Any claim by Seller for damages due to termination without cause must be submitted to City within thirty (30) days after effective date of termination.

(2) For Cause. If Seller fails to make any delivery in accordance with the agreed delivery date, delivery schedule, or otherwise fails to observe or comply with any of the other instructions, terms, conditions or warranties applicable to this P.O., City may, in addition to any other right or remedy provided by this P.O. or by law, terminate all or any part of this P.O. in writing without any liability of City with respect to Seller at any time during the term of this P.O. In the event of termination for cause, City may purchase supplies or services elsewhere on such terms or in such manner as City may deem appropriate and Seller shall be liable to City for any cost and other expenses incurred by City, which is charged to City.

CHANGES: City shall have the right at any time by written notice via P.O. Change Order to Seller to make changes in the specifications, the quantity of items called for, delivery schedules, and requirements covering testing, packaging, or destination. Any claim by Seller for adjustment under this clause shall be deemed waived unless made in writing with then (10) days after receipt by Seller of notice of such change. Price increases or extensions of time for delivery shall not be binding on City unless evidenced by a P.O. Change Order issued by City's Purchasing Manager.

INSPECTION: City shall have the right to inspect and approve or reject any materials, supplies, services and/or installations upon arrival of notice of completion prior to payment without regard to the manner of shipment, completion, or any shipping or price terms contained in this P.O. All materials, supplies, services and/or installations must be furnished as specified.

(1) Defective, damaged, and nonconforming materials and/or supplies may be returned for credit or refund, at Seller's expense. City may charge Seller for all expenses of unpacking, examining, repacking and reshipping of such materials and/or supplies.

(2) Defective, incorrect and nonconforming services and/or installations may be returned for credit or refund, at Seller's expense. All of the above notwithstanding prior payment by City.

WARRANTY: Seller expressly warrants that all materials, supplies, services and/or installations covered by this P.O. shall:

(1) conform to the specifications, drawings, samples, or other descriptions specified by City or if none are so specified, to Seller's standard specification or the standards of the ASTM or ANSI or other national standard organizations;

(2) be new and unless specified to the contrary on the face hereof, will be free from defects in material and workmanship and will be free of all liens and encumbrances and will conform to any affirmation of facts made on the container or label;

(3) be adequately contained, packaged, marked, labeled and/or provided in compliance with all applicable federal and state laws and regulations (including materials deemed hazardous);

(4) be performed within the rules and regulations of the Occupational Safety and Health Act of 1970 (as amended);

(5) be produced or transferred or disposed of as required by federal and state laws and regulation under the conditions of the Toxic Substances Control Act; the Hazardous Materials Control and Hazardous Waste Regulations; and other toxic laws and programs.
Seller further expressly agrees to protect, indemnify, and hold harmless City, its employees and agents for any loss, damage, fine, liability, fee (including reasonable charges and fees) or expense arising in connection with or resulting from Seller's failure to furnish materials or supplies or perform services that conform with any warranty contained herein.

(6) have good marketable title.

GOVERNING LAW: This P.O. shall be governed by the laws of the State of California.

INDEPENDENT CONTRACTOR, INSURANCE: Seller certifies, by acceptance, that he/she is an independent contractor. Seller shall protect, defend, and indemnify and hold City harmless against all damages, liability, claims, losses and expenses (including attorney's fees) arising out of , or resulting in any way from Seller's negligence in providing the goods or services purchased hereunder or from any act or omission of Seller, its agents, employees, or subcontractors, Seller shall maintain such public liability insurance, including contractual liability, automobile and general public liability, (including non-owned automobile liability) Worker's Compensation, and employer's liability insurance as well adequately protect City against such damage, liabilities, claims, losses, and expenses (including attorney's fees). Seller agrees to submit certificates of insurance, evidencing its insurance coverage when requested by City.

EQUAL OPPORTUNITY CLAUSE: By acceptance of this P.O., Seller certifies it is in compliance with the Equal Opportunity Clause required by Executive Order 11246, as amended, and the Palo Alto Municipal Code, as amended, including Affirmative Action Compliance Programs for Veterans; Handicapped; and Minority Business, and other equal opportunity programs.

FORCE MAJEURE: City may delay delivery or acceptance occasioned by causes beyond its control. Seller shall hold such materials, supplies, services and or installations at the direction of City and shall deliver them when the cause affecting the delay has been removed. City shall be responsible only for Seller's direct additional costs in holding the goods or delaying performance of this P.O. and City's request. Seller shall also be excused if delivery is delayed by unforeseen events beyond its reasonable control, provided Seller notifies City as soon as they occur. City may cancel this P.O. if such delay exceeds thirty (30) days from the original delivery date. Seller shall use its best efforts to grant preference to this P.O. over those of other customers, which were placed after this P.O.

AUTHORITY OF AGENT OR FACTOR: Seller represents that, whenever it executes this P.O. on behalf of a third party as an agent or factor, it shall disclose the existence of the agency or factor relationship to City. Seller shall be deemed to have the legal authority to enter into this P.O. with City on behalf of the third party.

INTERPRETATION OF CONTRACT DOCUMENTS: In the event of a conflict between the terms of this P.O. and the attached specification with respect to any obligation of Seller, the provision which impose the greater obligations upon Seller shall prevail.

ENVIRONMENTALLY PREFERRED PURCHASING REQUIREMENTS: Seller agrees to comply with the City's Environmentally Preferred Purchasing Requirements.

(1) Hazardous Waste:

Seller shall take-back all spent or otherwise discarded hazardous products sold to the City by the Seller if the spent or discarded products are classified as hazardous or universal wastes by State or Federal regulations. Seller shall provide convenient collection and recycling services (or disposal services if recycling technology is unavailable) for all universal wastes, which originate from the Vendor. Hazardous waste manifests or bills of lading must be provided to City staff upon request. Recycling and reuse of hazardous wastes must occur within the United States. Universal waste lists and information are available www.dtsc.ca.gov/HazardousWaste/UniversalWaste/. A hazardous waste list is available at http://www.calrecycle.ca.gov/LEA/Training/wasteclass/yep.htm. Additional information can be obtained by contacting the City of Palo Alto Hazardous Waste Department at (650) 496-6980.

(2) Zero Waste and Pollution Prevention:

Per Palo Alto City Council policy, the City is targeting to achieve Zero Waste by 2021. The City must also meet Municipal Regional Stormwater Permit requirements requiring no visible impact from litter via stormdrains by 2022. To that end the vendor, manufacturer and or contractor must individually or collaboratively comply with the waste reduction, reuse and recycling requirements of the City's Zero Waste and Pollution Prevention Programs. Seller acknowledges and agrees that if Seller fails to fully and satisfactorily comply with these requirements, the City will suffer, as a result of Seller's failure, substantial damages which are both extremely difficult and impracticable to ascertain. Therefore, the Seller agrees that in addition to all other damages to which the City may be entitled, in the event Seller fails to comply with the below requirements Seller shall pay City as liquidated damages the amounts specified below. The liquidated damage amount is not a penalty but considered to be a reasonable estimate of the amount of damages City will suffer as a result of such non-compliance.

- Sellers shall adhere to the standard that all printed materials provided to the City that are generated from a personal computer and printer including, proposals, quotes, invoices, reports, and public education materials shall be double-sided, printed on a minimum of 30% post-consumer content paper or greater unless otherwise approved by the City's Environmental Services Division (650) 329-2117. Materials printed by a professional printing company shall be a minimum of 30% post-consumer material or greater and printed with vegetable based inks. Liquidated damages of $30 per document will be assessed by City for failure to adhere to this requirement.
- All paper packaging must be Forest Stewardship Council (FSC) Certified.
- All primary, secondary and shipping (tertiary) packaging be minimized to the maximum extent feasible while protecting the product being shipped.
- All primary, secondary and shipping packaging shall be recyclable in the City's recycling program. A complete list of items accepted for recycling are found at www.zerowastepaloalto.org or by calling (650) 496-5910. If any portion is received that does not meet this requirement, liquidated damages of $235 or a minimum of $50 if the combined product and shipping cost is $235 or less will be assessed by City for failure to adhere to this requirement.
- Expanded foam plastics (e.g., foam or cushion blocks, trays, packing 'peanuts'), such as but not limited to polystyrene (aka Styrofoam[tm]), polypropylene, or polyurethane shall not be used as primary, secondary or tertiary/shipping packaging with the following exceptions:
  - o Primary packaging made from these materials may be used if the vendor, manufacturer, contractor individually or collaboratively does one of the following:
    (a) takes the material back at the City's convenience and at no cost to the City, or
    (b) pays the City of Palo Alto's disposal costs via payment of liquidated damages of $235, or a minimum of $50 if the combined product and shipping cost is $235 or less.
  - o Bioplastics that meet ASTM D6400 standards for compostability may be accepted with approval from the City's Environmental Services Division subject to local municipal compost facility requirements.
  - o If approved by the City's Environmental Services Division, a packaging requirement may be waived if no other viable packaging alternative exists.
- Reusable/returnable pallets shall be used and taken back by the Seller, at no additional cost to the City. Seller shall provide documentation upon request ensuring reuse of pallets and/or recycling of broken pallets. Liquidated damages of $262 or a minimum of $50 if the combined product and shipping cost is $262 or less will be assessed by City for failure to adhere to this requirement.

(3) Energy and Water Efficiency:

Seller shall provide products with an ENERGY STAR, Water Sense or State of California standard rating, whichever is more efficient, when ratings exist for those products. A life cycle cost analysis shall be provided to the City upon request and shall at minimum include: first cost, operating costs, maintenance costs, and disposal costs.

Contacts for additional information about City of Palo Alto Hazardous Waste, Zero Waste and Utilities programs:

Hazardous Waste Program (Public Works)
(650) 496-6980

Zero Waste Program (Public Works)
(650) 496-5910

Watershed Protection
(650) 329-2117

Energy Efficiency
(650) 496-2244

(4) Liquidated Damages:

Seller agrees that failure to comply with the City's Environmentally Preferred Purchasing Requirements will result in Liquidated Damages, according to the table marked Liquidated Damages on page 3 of this P.O.

NONCOMPLIANCE WITH ENVIRONMENTALLY PREFERRED PURCHASING REQUIREMENTS, LIQUIDATED DAMAGES:

The following table lists the events that constitute breaches of the Agreement's standard of performance warranting the imposition of liquidated damages; the acceptable performance level, and the amount of liquidated damages for failure to meet the contractually required standards of performance.

Event of Non-Performance	**Acceptable Performance Level** (Allowed events per Fiscal Year)	**Liquidated Damage Amount**
Recycled Paper Use Failure to use 30% recycled content paper	1	$30 per each document
Recyclable Packaging Materials Failure of Seller to use secondary and shipping packaging that is recyclable in the City's recycling program.	1	$235 or a minimum of $50 if the combined product and shipping cost is $250 or less will be incurred if this is not adhered to.
Expanded Foam Plastics Unapproved use of expanded foam plastics for secondary or shipping packaging	0	$235 or a minimum of $50 if the combined product and shipping cost is $235 or less
Pallet Use Failure of Seller to take-back and reuse pallets, recycling only broken pallets, at no additional cost to the City.	1	$262 or a minimum of $50 if the combined product and shipping cost is $2 or less