



MEMORANDUM

TO: Mayor and Council Members
Toby Hammett Futrell, City Manager

FROM: Thomas R. Wieczorek, Fleet Officer

DATE: May 1, 2007

SUBJECT: Ratification for Purchase of Radio Frequency CANceivers

On July 28, 2005 Council approved a contract for \$194,710 with E.J. Ward, Inc. for the first phase of a radio frequency fueling system to be installed primarily at sites used by Solid Waste Services and the Police Department. This system provides for the automatic recording of mileage and other relevant information needed to document the purchase of fuel from City-owned fuel sites.

Between September 2005 and December 2007, equipment was installed at approximately 20 of the 40 City-owned fuel sites that would automatically read information from devices installed in Solid Waste and APD vehicles, e.g. information on mileage and vehicle condition, and transmit that information along with data on the amount of fuel purchased to the City's overall fuel system. During the same period of time, more than 150 of the devices that transmit information from the vehicle to the fuel site equipment were installed on City-owned vehicles.

While working on the project, Fleet staff did not adequately monitor the amount left on the contract and ordered 350 devices without proper contract authorization. By the time the purchase came to the attention of Fleet management, most of those additional devices had already been delivered and had been installed on vehicles. The unauthorized purchase of the additional devices overspent the authorized contract amount by \$86,860. Fleet management is taking steps to tighten controls, both with the employees involved in the purchase and with its vendors, to ensure that this does not happen again.

In the next few weeks, we will be bringing a request to Council for ratification of Amendment No. 1 to increase the contract amount with E.J. Ward, Inc. of San Antonio, TX by \$86,860 for a revised total contract amount of \$281,570. At this point, all of the components for the first phase of the radio frequency fueling system have been installed and no further orders for this phase are needed. Future phases of this program will require will additional council action.

This purchase will have no unexpected fiscal impact, and funding is available in the Fiscal Year 2006 – 2007 approved Capital Budget of the Financial and Administrative Services Department, Fleet Fund.

Please let me know if you have any questions. I am available at 974-1541.

Thomas R. Wieczorek
Fleet Officer

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