

# Exhibit to Agenda Item #1

Board Finance and Audit Committee Meeting and Special SMUD Board of Directors Meeting

Tuesday, October 2, 2018, scheduled to begin at 5:30 p.m.

Customer Service Center, Rubicon Room

Powering forward. Together.

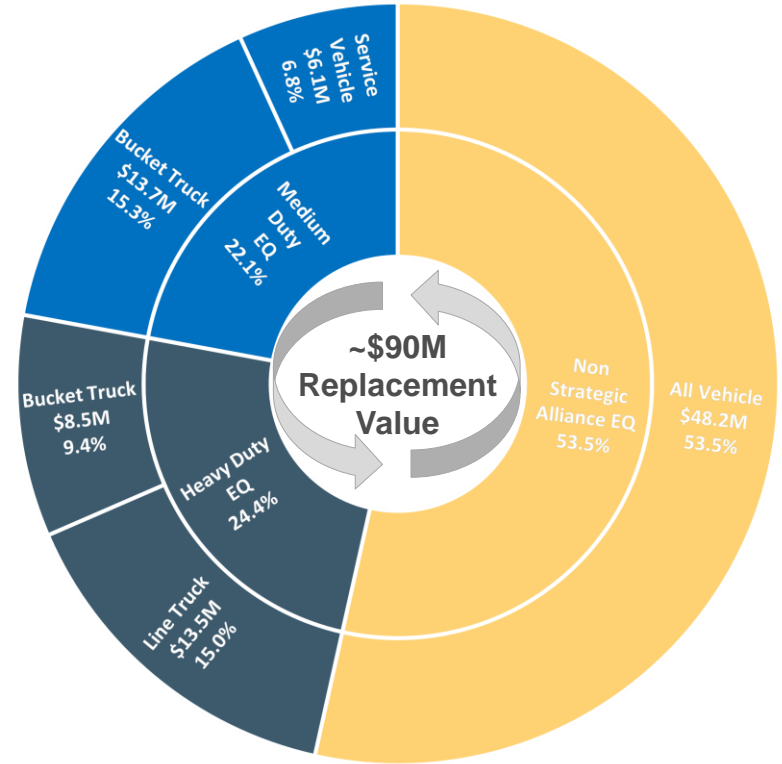


# Requested Action

Authorize the CEO and GM to award contracts to Equipment Technology LLC, NESCO LLC, Altec Industries Inc., and Terex Utilities Inc. for fleet vehicles and services for a seven-year period from November 1, 2018 to October 31, 2025, for a total aggregate amount not-to-exceed \$65 million, with the option for three one-year extensions for each contract.

# Fleet overview

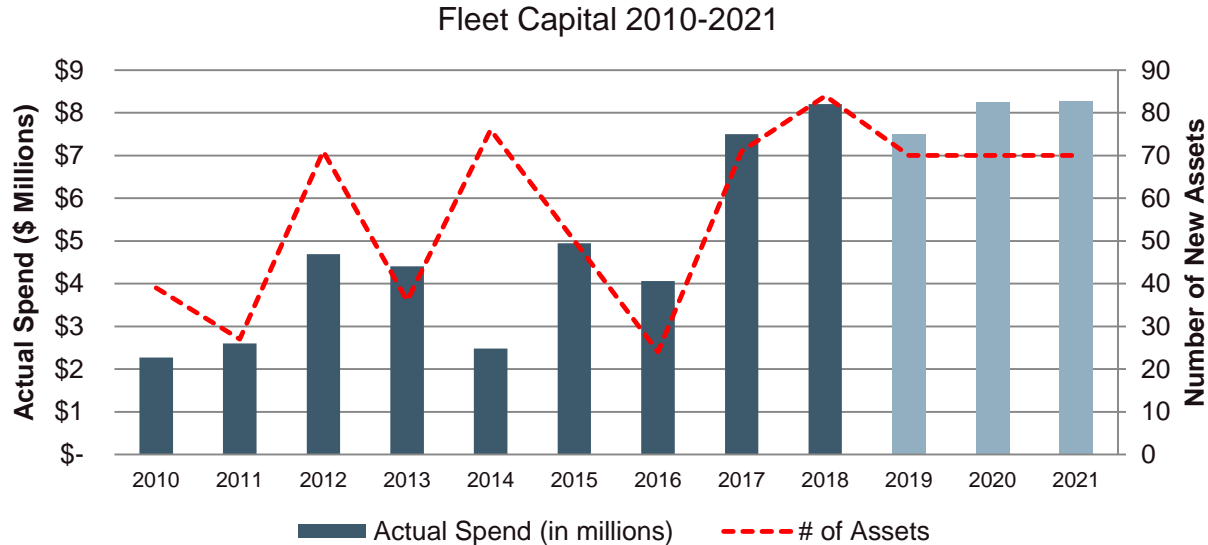
Class	Fleet Asset Class	Total Fleet	Electric or Hybrid	% Electric or Hybrid
Heavy Duty	Aerial - 85'	8	0	0%
	Dump Truck	14	0	0%
	Service/Line Truck	32	0	0%
Medium Duty	Aerial 37'-65'	80	19	24%
	Dump Truck	28	0	0%
	Pickup	165	0	0%
	Service Truck	17	0	0%
Equipment	Boats, ATVs, Maintenance	187	13	7%
	Forklift	32	15	47%
	Non-Motorized Equipment	4	0	0%
	Off Road Equipment	37	0	0%
Light Duty	Pickup	184	0	0%
	Sedan	52	49	94%
	SUV	71	0	0%
	Vans	75	0	0%
<b>Total</b>	<b>All Fleet Assets</b>	<b>986</b>	<b>96</b>	<b>10%</b>



# Fleet overview



# Fleet contracts history



## Opportunities

- Long lead times
- Limited competition
- Service quality
- Fleet electrification
- Standardizing the fleet

# Procurement strategy

## RFP development

- Expand suppliers, competition
- On-time deliveries
- Service quality
- Evaluate before purchase
- Customization costs
- Equipment, rentals, service, parts

## Award strategy

- 5 bidders, traditionally 1 or 2
- Flexibility
- Competition
- Supplier collaboration
- Reduce total ownership costs
- Continue to standardize fleet

# Procurement outcome

## Equipment purchases, flexibility

		Bid Item #	ALTEC	TEREX	ETI	NESCO
40 Foot Aerial	Troubleshooter	1	Yes	Yes	Not Complaint	-
	T4X2D	2	Yes	Yes	Yes	-
	T4X2G	3	Yes	Yes	Yes	-
	T4X4G	4	Yes	Yes	Yes	-
	Hybrid	5	Yes	Not Complaint	-	-
	USA 4X2D	6	Yes	Yes	Not Complaint	-
	USA 4X2G	7	Yes	Yes	Yes	-
	USA 4X4D	8	Yes	Yes	Yes	-
	USA 4X4G	9	Yes	Yes	Yes	-
Derrick	60 Foot Line	10	Yes	Not Complaint	-	-
	60 Foot Sub	11	Yes	Not Complaint	-	-
	47 Foot	12	Yes	Not Complaint	-	-
Large Aerial	60 Foot	13	Yes	Not Complaint	-	-
	Hybrid	14	Yes	-	-	-
	88 Foot	15	Yes	-	-	-
	<b>Backyard Aerial</b>	16	Yes	-	-	-
	<b>Backyard Derrick</b>	17	Yes	-	-	Not Complaint
	<b>Foreman Truck</b>	18	Yes	-	Yes	-
	<b>Foreman Truck Hybrid</b>	19	Yes	-	-	-
	<b>Track Derrick</b>	20	Yes	-	-	Not Complaint

# Procurement outcome

## Estimated contract funding allocation

	Equipment	Rentals	Service	Parts	Total
1. Altec	\$36M	\$5.5M	\$300K	\$1.5M	<b>\$43.3M</b>
2. Terex	\$11M	-	\$200K	\$500K	<b>\$11.7M</b>
3. ETI	\$3M	\$1.6M	\$100K	\$100K	<b>\$4.8M</b>
4. NESCO	-	\$5.2M	-	-	<b>\$5.2M</b>
5. Custom Truck	<i>Non-Responsive proposal received</i>				
Total	<b>\$50M</b>	<b>\$12.3M</b>	<b>\$600K</b>	<b>\$2.1M</b>	<b>\$65M</b>



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