

Agenda Report

October 9, 2006

TO: CITY COUNCIL
FROM: CITY MANAGER
SUBJECT: AUTHORIZE THE PURCHASE OF TWO REPLACEMENT BACKHOE LOADERS IN AN AMOUNT NOT TO EXCEED \$171,772.98

RECOMMENDATION

It is recommended that the City Council:

- 1) Authorize the issuance of a purchase order to Coastline Equipment Company in an amount not to exceed \$171,772.98 for the purchase of two replacement John Deere 410G Backhoe Loaders; and
- 2) Grant the proposed purchase order an exemption from competitive bidding pursuant to the City Charter Section 1002(H), contracts with other governmental entities or their contractors for labor, material, supplies or services.

BACKGROUND

The Water and Power Department's Water Division construction crews use backhoe loaders in the installation and repair of the City's water distribution system on a daily basis. The typical life span of a backhoe loader is approximately 10 years. The two backhoe loaders that are being replaced are over 11 and 12 years old respectively and are in need of replacement.

Repair costs for backhoe loaders become more costly as the equipment ages, and repairs to bring it back to safe operating conditions become more expensive. Currently, one of the backhoes has been determined unsafe for operation on a public street. During its lifetime, the two backhoe loaders have incurred a total of \$155,686 and \$111,048 in maintenance repair costs respectively. Instead of spending additional funds on repairing aging equipment; it is recommended that two new backhoe loaders be purchased. This piece of equipment is critical for the Water Division construction crews to complete the main replacement projects as outlined in the Water System Master Plan. This replacement purchase will provide the City with savings in costly repairs, maintenance, and equipment rental costs. Upon purchase of the two backhoe loaders, the old equipment will be declared surplus and disposed per City policy.

On April 12, 2006 the State of California in compliance with California's Multiple Award Schedule Program (CMAS), which is comparable to the City of Pasadena's Competitive Bid Process awarded Contract Number 4-01-38-0012A to Coastline Equipment Company for the purchase of John Deere Construction Equipment.

This contract is available for use by the State of California agencies and any city, county, district or other local governmental body or corporation empowered to expend public funds. Purchasing the two backhoe loaders under this contract will result in substantial savings due to the volume discounts offered, whereas a formal bid conducted by the City would likely result in the same equipment at a much higher cost.

The bid price is \$171,772.98 for two new John Deere 410G backhoe loaders and includes a sixty (60) month/2,500 hour extended machine warranty. Currently, the Fiscal Year 2007 Water Capital Equipment Budget has \$300,000 budgeted for the purchase of two new backhoe loader replacements.

FISCAL IMPACT

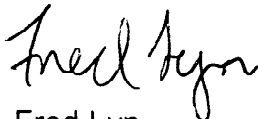
The FY 2007 Water Fund Equipment Budget has \$300,000 budgeted for the replacement purchase of two backhoe loaders. Sufficient funds are available in the Water Fund Operating Budget under account number 8505-412-883000-0673 to cover these two purchases.

Respectfully submitted,



Cynthia J. Kurtz
City Manager

Prepared by:



Fred Lyn
Management Analyst III
Water and Power Department

Approved by:



Phyllis E. Currie
General Manager
Water and Power Department

**Building Maintenance and Fleet Management
Vehicle Replacement - Backhoe Loader - Condition Report**

Vehicle #	Year / Age / Hours Logged	Lifetime Maintenance Costs	Additional Comments *
0051	94 / 12 yrs / 7822	\$ 155,686.21	NA
1185	95 / 11 yrs / 5681	\$111,048.35	NA

Lifetime Vehicle Costs are based on annual O&M charges through FY97 and actuals for FY98 through FY04. Costs include all vehicle expenses including overhead, maintenance, and fuel.

* Salvage value of vehicles estimated to be \$ 23,000

Attachment C

Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment of 2000
Pasadena City Charter, Article XVII

Contractor hereby discloses its trustees, directors, partners, officers, and those with more than a 10% equity, participation, or revenue interest in Contractor, as follows:
(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor Name:

BRAGG INVESTMENT Co, INC dba CASTLINE EQUIPMENT

2. Name(s) of trustees, directors, partners, officers of Contractor:

<u>GEORGE M. BRAGG, PRESIDENT</u>
<u>MARY ANN POOL, SECRETARY / TREASURER</u>
<u>DEL HASLER, VICE PRESIDENT / GENERAL MANAGER</u>

3. Names of those with more than a 10% equity, participation or revenue interest in Contractor:

<u>GEORGE M. BRAGG</u>
<u>MARY ANN POOL</u>

Prepared by: MIKE SMITH *Mike Smith*

Title: SALES MANAGER

Date: 9-11-06

For office use only
Contract No. _____