



Agenda Report

June 2, 2008

TO: City Council

FROM: City Manager

SUBJECT: Authorization to Purchase two Backhoes and one Front Loader for a Total Amount Not to Exceed \$301,156

RECOMMENDATION

It is recommended that the City Council authorize the issuance of a purchase order to Coastline Equipment for the purchase of two new John Deere 410J backhoes and one John Deere 444J front loader for a total amount not to exceed \$301,156. The proposed purchase order contract is exempt from competitive bidding pursuant to City Charter Section 1002(H), contracts with other government entities or their contractors.

BACKGROUND

The Water and Power Department's Water Services Division (PWP) uses backhoes on a daily basis for excavation during the installation and repair of the City's water distribution system. One proposed new backhoe would replace a backhoe currently in PWP's fleet that is 14 years old. Due to the age of the current vehicle, it is very expensive to maintain. During its lifetime, the current backhoe has incurred over \$125,000 in maintenance costs. The second backhoe will be used by a newly created construction crew that currently does not have its own backhoe. The crew was created in order to meet PWP's Water System Master Plan (Master Plan) goals. In order to meet the goals, the crew must either borrow a backhoe from another crew or rent one from an outside vendor. By adding a new backhoe, PWP will be able to meet the Master Plan goals more efficiently.

PWP also uses front loaders on a daily basis to remove debris from construction sites. The front loader currently in use is 14 years old and has accumulated over \$115,000 in maintenance costs over its lifetime. Replacing the older loader with a new model will save money and limit lost productivity due to repairs.

The vendor agrees to honor the terms and conditions per Purchase Order Number 28499 with the City of Newport Beach, California dated May 1, 2007, which quotes a price of \$180,418.12 for two John Deere 410J backhoes.

In the case of the backhoes, the vendor agrees to honor the terms and conditions per Purchase Order Number 0756 with the County of Yolo, California dated June 15, 2007, which quotes a price of \$120,737.72 for one John Deere 444J loader.

FISCAL IMPACT

The FY 2008 Water Capital Equipment Budget has sufficient funds available for the purchasing of these three equipment items.

Respectfully submitted,



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