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**Title:** Approve the award of a cooperative purchase agreement to Quinn Company of Fresno, California, for the purchase of two Caterpillar backhoes in the amount of \$259,288

**Sponsors:** Department of Transportation

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**Attachments:** 1. Acceptance and Award.pdf, 2. CAT Contract.pdf, 3. Combined Ads.pdf, 4. Comment and Review.pdf, 5. Evaluation.pdf, 6. RFP.pdf

Date	Ver.	Action By	Action	Result
6/11/2020	1	City Council	approved	

**REPORT TO THE CITY COUNCIL**

**June 11, 2020**

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**SUBJECT**

Approve the award of a cooperative purchase agreement to Quinn Company of Fresno, California, for the purchase of two Caterpillar backhoes in the amount of \$259,288

**RECOMMENDATION**

Staff recommends Council approve the award of a cooperative purchase agreement to Quinn Company of Fresno, California, for the purchase of two Caterpillar backhoes in the amount of \$259,288.

## **EXECUTIVE SUMMARY**

The Department of Public Utilities (DPU), Water Operations Division is requesting approval to purchase two Caterpillar backhoes in the amount of \$259,288. The new backhoes will be used for construction and maintenance throughout the city. One backhoe will be purchased as a replacement and one as an addition through a competitively solicited cooperative procurement process administered by Sourcewell, formerly the National Joint Powers Alliance (NJPA).

## **BACKGROUND**

DPU, Water Operations Division is responsible for delivering safe drinking water to approximately 500,000 residential, commercial, and industrial customers over a 114 square mile area. This mission is accomplished through continuous maintenance of the freshwater system, which requires soil excavation. This work is performed with medium-sized backhoes, operated at the surface water recharge facility and throughout the city of Fresno during large repairs to underground utilities.

Currently, the Water Operations Division utilizes a fleet of seven backhoes throughout its maintenance teams. Of these seven units, one has been identified to be replaced with a new Caterpillar model 430F2. The backhoe class of equipment is on a ten-year or 5,000-hour replacement schedule, which has been established by the Fleet Management Division as the optimum replacement time. The unit identified for replacement is over this limit in both age and hours.

At the surface water recharge facility, a smaller backhoe has been rented to complete maintenance and construction projects. As this work has been identified to be continuous, the Water Operations Division has recognized the need for a Caterpillar model 420F2 as a permanent unit for this property.

The new Caterpillar 420F2 and 430F2 backhoes will be built to a specification similar to existing units, updated with the latest technology to increase fuel efficiency, and continue to meet the Tier 4 final emissions standard. The backhoes will feature a newly-developed hydraulic system that allows full operation at a lower RPM, increasing fuel efficiency across all aspects of operation. The City of Fresno has been using Caterpillar 400 series backhoes for more than 17 years and has found them to be reliable and effective.

The Department of Transportation, Municipal Fleet Division recommends this purchase based on the needs of the division and condition of the equipment identified for replacement.

The total purchase price is \$259,288. This price includes the Sourcewell, cooperative purchasing discount applied to City purchases, as well as sales tax at 7.975 percent. The Purchasing Division has approved this contract and recommends Council to approve. The City Attorney has reviewed and approved to form.

## **ENVIRONMENTAL FINDING**

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, the award of this contract does not qualify as a project as defined by CEQA.

## **LOCAL PREFERENCE**

Local preference is not applicable. The City is purchasing the Caterpillar backhoes through a

cooperative purchase agreement.

## **FISCAL IMPACT**

No general funds will be used to purchase these items. The funding to cover the purchase cost of the Caterpillar backhoes has been included in the FY2020 adopted budget under the operations of the Water Operations Division. The source of funding for this project is the Water Operating Fund, generated primarily by the collection of customer user fees.

### Attachments:

Acceptance and Award

CAT Contract

Combined Ads

Comment and Review

Evaluation

RFP