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Title: Approve the sale of one Caterpillar MH3022 Wheeled Material Handler with Waste Handling Grapple to Quinn Company of Fresno, California in the amount of \$344,389 matching the original purchase price in 2019 by the Department of Public Utilities for a solid waste convenience center. Quinn Company’s proposal valid through November 11, 2021

Sponsors: Department of Transportation

Indexes:

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Attachments: 1. MaterialHandlerPriceAnalysis, 2. material.handler.proposal

Date	Ver.	Action By	Action	Result
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REPORT TO THE CITY COUNCIL

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Department of Transportation

BY: CLIFF TRAUGH, Business Manager
Department of Transportation, Municipal Fleet Division

SUBJECT

Approve the sale of one Caterpillar MH3022 Wheeled Material Handler with Waste Handling Grapple to Quinn Company of Fresno, California in the amount of \$344,389 matching the original purchase price in 2019 by the Department of Public Utilities for a solid waste convenience center. Quinn Company’s proposal valid through November 11, 2021

RECOMMENDATION

Staff recommends Council approve the sale of one Caterpillar MH3022 Wheeled Material Handler with Waste Handling Grapple Serial Number: FB302502 to Quinn Company of Fresno, California in the amount of \$344,389.

EXECUTIVE SUMMARY

The Department of Public Utilities (DPU) would like to sell a Caterpillar MH3022 Wheeled Material Handler to Quinn Company. This unit was purchased in December 2019 to be utilized at the future bulky item drop off convenience center, as that project has been cancelled, the Material Handler is no longer needed. Quinn Company as offered to purchase the unit back from the City of Fresno for the original sale price of \$344,389. The Department of Transportation (DOT) has researched average

auction sales prices and has determined that Quinn Company's purchase offer is fair and reasonable.

BACKGROUND

The Department of Public Utilities (DPU), Solid Waste Management Division is responsible for sanitation programs such as Operation Clean Up and litter control for over 111,000 residential customers. Multiple teams service a 112-square-mile area recycling discarded lumber, appliances, and various other large objects that would otherwise end up in a landfill. The Solid Waste Management Division annually removes over 29,150 tons of refuse city-wide through these programs.

In an effort to meet changing Solid Waste permit requirements and to help establish methods for residential customers to dispose of large objects, a new bulky item drop off convenience center was proposed to be constructed. The center would have allowed the public to dispose of materials legally and with little to no cost, reducing illegal dumping throughout the city. The project was ultimately cancelled due to a lack of funding and council support.

To successfully operate the facility, a material handling machine would be needed as the central sorting tool. The Caterpillar MH3022 wheeled material handler would separate the piles left by citizens and move the material to roll off bins for transport to processing facilities. The Material Handler was approved by Council on December 5, 2019 and purchased prior to the construction of the convenience center. The goal was to have the machine arrive close to the completion date of the center, allowing for an on time opening date.

On June 24, 2021, the City Council approved a motion directing staff to bring forth a recommendation to reject all bids for the construction of the Facility. Once direction from DPU was given to dispose of the unit, DOT reached out to the dealer to inquire about returning the unit. Quinn Company responded with an offer to buy it back for the original sale price of \$344,389 and has provided a written proposal valid until November 11, 2021.

DOT reached out to Purchasing and received approval to proceed to council for approval. Without the convenience center this specialized piece of equipment cannot be utilized by the City and needs to be disposed. Staff recommends the approval of the sale based on the needs of the Department, and the research done to establish fair market value. The City Attorney's Office has reviewed and approved to form.

ENVIRONMENTAL FINDINGS

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, however Quinn Company of Fresno, California is a local business pursuant to FMC 4-108.

FISCAL IMPACT

The sale of this item has no impact on the General Fund. The funding used to cover the purchase

cost of the Caterpillar MH3022 wheeled material handler was included in the FY2020 adopted budget under the operations of the Solid Waste Management Division. The source of funding for this project was the Solid Waste Operating Fund, generated primarily by the collection of customer user fees. The proceeds from the sale of this equipment will be returned to the Solid Waste Operating Fund.

Attachments:

Material Handler Proposal

Material Handler Price Analysis