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**Title:** Approve the award of a cooperative purchase agreement to Quinn Company of Fresno, California, for the purchase of one Caterpillar Model PM622 cold planer machine in the amount of \$613,093.92

**Sponsors:** Department of Transportation

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**Attachments:** 1. CAT Agreement.pdf

Date	Ver.	Action By	Action	Result
11/8/2018	1	City Council	approved	Pass

**REPORT TO THE CITY COUNCIL**

**November 8, 2018**

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**SUBJECT**

Approve the award of a cooperative purchase agreement to Quinn Company of Fresno, California, for the purchase of one Caterpillar Model PM622 cold planer machine in the amount of \$613,093.92

**RECOMMENDATION**

Staff recommends Council approve the award of a cooperative purchase agreement to Quinn Company of Fresno, California, for the purchase of one Caterpillar Model PM622 cold planer machine in the amount of \$613,093.92.

## **EXECUTIVE SUMMARY**

The Department of Public Works, Street Maintenance Division is requesting the replacement of one Caterpillar Model PM622 cold planer machine at a total cost of \$613,093.92. The division will utilize this new unit to remove old asphalt and prepare road surfaces for re-paving within the City of Fresno. The new Caterpillar Model PM622 will be replacing a 20-year-old machine that is past its useful life and out of service due to cost prohibitive repairs. The Municipal Fleet Division recommends the purchase based on age and condition. The replacement unit would be purchased through a competitively solicited cooperative procurement process administered by Source Well, formerly, the National Joint Powers Alliance (NJPA).

## **BACKGROUND**

The Department of Public Works, Street Maintenance Division is responsible for maintaining 1,740 miles of city streets and boulevards. As street pavements degrade to the end of their service life, asphalt overlays are needed to restore the street back to a good and serviceable condition. This key maintenance treatment is performed annually by the Street Maintenance Division, and the cold planing machine is the primary piece of equipment used to prepare the surface for a new asphalt overlay. This cold planing machine, in conjunction with the paving machine, is used by City crews to complete nearly 70 lane miles of road each season, which equates to nearly 60,000 tons of asphalt annually. The end product is a new road surface and in some cases a wider more modern layout.

To accomplish this mission, the Street Maintenance Division operates two aging cold planing machines. The new Caterpillar Model PM622 cold planer machine will be more efficient, and deliver a superior base road surface, with less down time. The new machine will have a ten-inch wider milling width, allowing crews to remove larger areas of asphalt in every pass. This means fewer passes and a faster asphalt removal process. The PM622 is powered by a Tier 4 final engine, which is the highest level emissions standard set by the California Air Resources Board. This new unit will allow the City of Fresno to replace the aging Tier 1 planing machine and positively affect its compliance now and in the future.

The cold planing units are on a ten-year replacement schedule, which has been established by the Municipal Fleet Division as the optimum replacement time. The unit identified for replacement is 20 years old, and has well exceeded its useful life. This unit is also in-operable and would require a significant overhaul to return it to working order. The Municipal Fleet Division recommends replacement based on the unit age and condition.

If approved by Council, the Caterpillar Model PM622 cold planer machine will be purchased utilizing competitively solicited cooperative procurement process administered by Source Well, formerly, the NJPA. The total purchase price is \$613,093.92. This price includes the Source Well discount applied to City purchases, as well as delivery and sales tax at 7.975 percent. The Purchasing Division has approved this agreement and recommends Council to approve.

## **ENVIRONMENTAL FINDING**

By the definition provided in the California Environmental Quality Act Guidelines Section 15378, the award of this agreement does not qualify as a “project.”

## **LOCAL PREFERENCE**

Local preference is not applicable. The City is not issuing a request for quote for this cooperative purchase agreement.

**FISCAL IMPACT**

No General Funds will be used to purchase this item. The Gas Tax funding to cover the purchase cost of the Caterpillar Model PM622 cold planer machine has been included in the FY19 adopted budget under the operations of the Department of Public Works, Street Maintenance Division.

Attachment:  
CAT Agreement