



Legislation Text

File #: 16-559, **Version:** 1

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SUBJECT: Purchase of a Caterpillar Backhoe, John Deere Tractor and a Tiger Extended Boom Mower Utilizing Government Procurement Programs and Waiving the Competitive Bidding Requirement

REPORT IN BRIEF

Fleet Services is requesting approval from the City Council to purchase a new Caterpillar Backhoe from the National Joint Powers Alliance Government Procurement Program (NJPA) and a John Deere Tractor and an Extended Boom Mower from the Houston-Galveston Area Council (HGACBuy) Cooperative Purchasing Program.

RECOMMENDATION

City Council - Adopt a motion:

- A. Authorizing the purchase of One Caterpillar model 430F2 Backhoe from the NJPA for \$136,965.60 and One Tiger, Extended Boom Mower and One John Deere model 6145M Tractor combination unit for a combined total of \$215,784.00 from the HGACBuy Program; and,
- B. Waiving the City's bidding requirement, allowing a direct purchase from the NJPA and HGAC Buy Programs for the requested equipment; and,
- C. Authorizing the City Manager to execute all necessary budgetary documents.

ALTERNATIVES

- 1. Approve, as recommended by (identify) or;
- 2. Approve, subject to other than recommended by (identify specific findings and/or conditions amended to be addressed in the motion) or;
- 3. Deny or;
- 4. Refer to staff for reconsideration of specific items or;
- 5. Continue to a future meeting (date and time to be specified in the motion);

AUTHORITY

Merced Municipal Code, Section 3.04.210

CITY COUNCIL PRIORITIES

As provided for in the 2016-17 Adopted Budget

DISCUSSION

Fleet Services is requesting approval to waive the competitive bidding process for the purchase of a new Backhoe Tractor, John Deere Tractor and Extended Boom Mower. Please note most of these purchases will not affect local vendors as there are no local vendors for this equipment. Over the last five years, the City has utilized several such programs, including NJPA and HGACBuy to purchase a variety of equipment such as fire trucks, street sweepers, backhoes, etc. These purchases are similar to making purchases from the state contract where vendors have submitted bids for equipment to the State of California. Local governments are then able to use the state contract pricing with their nearest vendor.

The City of Merced has been a member of NJPA since February 21, 2012 (see attachment 3) and HGACBuy interlocal contract was accepted by Council on March 15, 2010 (see attachment 4).

Both NJPA and HGACBuy perform extensive bidding processes with many companies and dealerships who provide low bid government pricing for various equipment and products. As a result of the nationwide scope of these programs, the City is typically able to purchase large specialized equipment for much less than the more traditional method of creating specifications and soliciting bids from vendors.

In addition, use of the NJPA and HGACBuy pricing schedule saves staff time and associated costs by eliminating the need to create detailed specifications and administering the bidding process. In general, because of a national sales base, government procurement program pricing is less than what the City can receive through our own competitive bidding process.

If approved, the combined discounts will save the city \$50,589.00. (See Attachments 1 and 2 for quotes showing the discount savings per vehicle); however, waiving the bidding process requires Council approval.

EQUIPMENT REQUESTED:

The NJPA purchase consists of one Caterpillar model 430F, Tier IV Final, Backhoe Tractor for a total cost of \$136,965.60 (Attachment 1 - 430F2_NJPA_Quote.pdf) Note, Holt of California is based in Merced County and while Holt maintains a rental store in Merced the main dealership resides in Los Banos.

The HGACBuy purchases consists of one Tiger Brand, Mid-Mount, Extended Boom Mower and one John Deere Tractor model 6145M for a total combined cost of \$215,784.00 (after taxes and delivery) Note, page 2 of this quote provides a detailed cost breakdown of the mower, tractor and required mower accessory equipment. Page one of this attachment shows the savings before taxes. (Attachment 2 - Ext Boom Mower_JD6145Tractor_HGAC.pdf)

Note, since the mower requires a specific horsepower rating and be outfitted with special attachments, the mower and tractor are sold as a single package unit which is not sold locally as such.

IMPACT ON CITY RESOURCES

All vehicles to be purchased were approved in the FY 2016/17 City budget and no additional funding is needed.

ATTACHMENTS

1. Attachment 1 - 430F2_NJPA_Quote.pdf
2. Attachment 2 - Ext Boom Mower_JD6145Tractor_HGAC.pdf
3. Attachment 3 - NJPACert.pdf
4. Attachment 4 - HGACBuysignedcontract.pdf