



Legislation Text

File #: 19-181, **Version:** 1

***Report Prepared by:** Wally Broughton, Public Works Manager - Operations*

SUBJECT: Authorization to Purchase a Caterpillar Backhoe Loader from Holt of California for \$120,299.59 and to Waive the Competitive Bidding Requirement to Allow the Purchase to be Made Through a Cooperative Purchasing Agreement with Sourcewell

REPORT IN BRIEF

Considers authorizing a waiver of the competitive bidding requirement pursuant to Merced Municipal Code section 3.04.210, to purchase a new Caterpillar Backhoe Loader from Holt of California, in the amount of \$120,299.59, utilizing cooperative purchasing agreements through Sourcewell, which is formally known as the National Joint Powers Alliance (NJPA).

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving the purchase of a new Caterpillar Backhoe Loader model number 420F2 for \$120,299.59; and,
- B. Waiving the City's competitive bidding requirement as permitted by Merced Municipal Code section 3.04.210 and authorizing the purchases to be made with cooperative purchase agreements with Holt of California through Sourcewell, a government procurement program; and,
- C. Authorizing the City Manager or the Assistant City Manager to execute any necessary documents for the purchases specified above.

ALTERNATIVES

- 1. Approve, as recommended by staff 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 City Charter, Section 200. Municipal Code Section 3.04.210-Exemptions from competitive bidding.

CITY COUNCIL PRIORITIES

The purchase of replacement vehicles support the critical operations performed by the City's Public Works departments.

DISCUSSION

Fleet Services is requesting approval to waive the competitive bidding process for the purchase of a new Caterpillar Backhoe Loader. The list price for this unit is \$129,695.00 plus tax, the Sourcewell contract discount for this unit is 22%, which equals \$28,532.90 in savings. It should be noted that this purchase will not affect local vendors as there are no local vendors for this equipment.

Section 3.04.210 of the Merced Municipal Code provides that the City Council can approve a waiver of the City's competitive bidding requirements when such purchases are made pursuant to cooperative purchasing in conjunction with other governmental entities. The Public Works Department, Fleet Services Division, is requesting authorization to waive the competitive bidding requirement for the backhoe purchase, which will allow the purchase to be made utilizing the nationwide government procurement service Sourcewell, which was formerly known as the NJPA. The City has been a member of the NJPA municipal contracting agency for many years and has made numerous successful purchases of equipment and vehicles by utilizing NJPA competitive bid pricing. In June 2018, as part of their new marketing strategy, the NJPA changed their name to Sourcewell. The City's membership with this agency was unaffected by the name change.

If approved, the Sourcewell discount will save the City \$28,532.90. The equipment requested is one Caterpillar, model 420F2, Tier IV Final, Backhoe Tractor. (See Attachment 1 - Holt Sourcewell Quote)

IMPACT ON CITY RESOURCES

This vehicle was approved in the FY 2018/19 City budget; no additional funding is needed.

ATTACHMENTS

1. Holt Backhoe Quote
2. Sourcewell Resolution of Name Change