



Legislation Details (With Text)

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Title: City Council and Corona Utility Authority consideration of an Exception to Bidding to Quinn Power Systems for Caterpillar Equipment using the Sourcewell (formerly National Joint Powers Alliance) cooperative purchasing agreement.

Sponsors:

Indexes:

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Attachments: 1. Exception to Bid_Quinn_Caterpillar Equipment_Attachments

| Date | Ver. | Action By | Action | Result |
|----------|------|--------------|----------|--------|
| 9/5/2018 | 1 | City Council | approved | |

AGENDA REPORT REQUEST FOR CITY COUNCIL AND CORONA UTILITY AUTHORITY ACTION

DATE: 9/5/2018

TO: Honorable Mayor and City Council Members
Honorable President and Board Members

FROM: Department of Water and Power
Maintenance Services

SUBJECT:
City Council and Corona Utility Authority consideration of an Exception to Bidding to Quinn Power Systems for Caterpillar Equipment using the Sourcewell (formerly National Joint Powers Alliance) cooperative purchasing agreement.

RECOMMENDED ACTION:

That the:

1. City Council authorize an Exception to Bidding pursuant to Municipal Code Section 3.08.140 (C) to Quinn Company dba Quinn Power Systems of Los Angeles, CA, in the amount of \$457,535.77 for Caterpillar Equipment.

2. City Council authorize the Purchasing Agent to issue a purchase order to Quinn Company dba Quinn Power Systems of Los Angeles, CA, in the amount of \$457,535.77.
3. City Council authorize an appropriation of \$40,981.72 as follows: \$24,589.03 from the Water Utility Fund 570, \$12,294.52 from the Water Reclamation Utility Fund 572, and \$4,098.17 from the Reclaimed Water Utility Fund 567.
4. Corona Utility Authority (CUA) review, ratify and to the extent necessary direct that the City Council take the above actions.

ANALYSIS:

The operating budget for Fiscal Year (FY) 2018/19 included approval for replacement of one backhoe and skiploader for the Maintenance Services Department and one backhoe for the Department of Water and Power (DWP). The vast majority of the City's existing heavy-duty equipment is the Caterpillar-brand. The Fleet division recommends the continuation of purchasing Caterpillar equipment for operational and maintenance efficiencies; allowing for the limitation of parts inventory; and allowing for staff to be fully trained on all City Caterpillar equipment.

Quinn Power Systems is the Caterpillar distributor for this region. Quinn participated in the Sourcewell (formerly National Joint Powers Alliance) cooperative bid process under contract #32515-CAT.

DWP and Maintenance Services Department request an exception to bid to Quinn Power Systems as this equipment has been cooperatively bid. Staff recommends replacing three units and purchasing two new trailers. The City's current operational practice is to drive the backhoe equipment to the jobsite. New operational practices recommend utilizing trailers to deliver equipment to job sites which will limit wear and tear on equipment and extend the service life.

The Maintenance Services Department will replace units 45005 and 45008. 45005 is a backhoe and will be purchased with a trailer. Unit 45008 is a skiploader and does not require a trailer. Units 45005 and 45008 are over 20 years old and have exceeded their useful life. In addition, they are classified by the California Air Resources Board (CARB) as Tier 0 meaning they have high emissions. The replacement equipment will be classified as a Tier 4 meaning they have the lowest emissions available on the market today. These replacements help the City reach CARB's regulatory requirements for off-road vehicles. In addition, staff recommends trading Units 45005 and 45008 to Quinn for a potential trade-in value of \$26,000.

DWP recommends replacing backhoe Unit 55014 with a new backhoe equipped with a breaker/hammer and a trailer. Unit 55014 was disposed following the City's surplus procedures in FY 15/16 but never replaced. DWP has been operating without a replacement unit for several years requiring expensive rentals and delays in completion of projects. The replacement equipment for this unit will also be a Tier 4.

All three recommended units have a 5 year/2,000 hour extended warranty. The tables below show the breakdown of recommended units, accessories and funding sources.

Maintenance Services Dept/Fleet Vehicle Replacement Operating Budget (Fund 682)

| Unit # | Unit | Trailer | Total | Contingency (1%) | Budgeted Amount | Difference |
|--------|--------------|-------------|--------------|------------------|-----------------|-------------|
| 45005 | \$142,024.46 | \$24,354.31 | \$166,378.77 | \$1,663.79 | \$172,225.00 | \$4,182.44 |
| 45008 | \$97,536.13 | N/A | \$97,536.13 | \$975.36 | \$145,000.00 | \$46,488.51 |
| | \$239,560.59 | \$24,354.31 | \$263,914.90 | \$2,639.15 | \$317,225.00 | \$50,670.95 |

Department of Water and Power Operating Budget (Funds 570, 572, and 567)

| Unit # | Unit | Trailer | Total Cost | Contingency (1%) | Budgeted Amount | Difference |
|--------|--------------|-------------|--------------|------------------|-----------------|---------------|
| 55014 | \$164,736.50 | \$24,354.31 | \$189,090.81 | \$1,890.91 | \$150,000.00 | (\$40,981.72) |

Staff recommends approval of the quoted price plus 1% contingency for additional costs during upfit for a total purchase order of a \$457,535.77 to the following account numbers

| Account Number | Amount |
|----------------|---------------------|
| 68241610 45100 | \$266,554.05 |
| 57050300 45100 | \$114,589.03 |
| 57251300 45100 | \$57,294.52 |
| 56753300 45100 | \$19,098.17 |
| TOTAL | \$457,535.77 |

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

Not applicable.

FISCAL IMPACT:

Funding for the recommended action was included in the FY 2018/19 operating budget but will also require an appropriation for additional funding. Units 45005 and 45008 are fully funded in the Fleet Operating Budget (Fund 682). Unit 55014 was partially funded in the Water Operating Fund (570), Water Reclamation Operating Fund (Fund 572), and Reclaimed Water Operating Fund (Fund 567) but will require an additional appropriation as follows:

| | 57050300 (60%) | 57251300 (30%) | 56753300 (10%) | Total |
|---------------------------------|---------------------------|---------------------------|---------------------------|---------------------|
| Original Appropriation | \$90,000.00 | \$45,000.00 | \$15,000.00 | \$150,000.00 |
| Additional Appropriation | \$24,589.03 | \$12,294.52 | \$4,098.17 | \$40,981.72 |
| Total | \$114,589.03 | \$57,294.52 | \$19,098.17 | \$190,981.72 |

| Fund | 07/01/18 Est. Working Capital | Budgeted Revenue/ Sources | Budgeted Expenditures/ Uses | 09/05/18 Working Capital Impacts | 06/30/19 Est. Working Capital |
|-------------------------------------|----------------------------------|------------------------------|-----------------------------------|--|----------------------------------|
| Reclaimed Water Utility Fund 567 | \$- | \$5,466,124 | (\$5,466,124) | (\$4,098) Appropriation +\$4,098 Loan from Fund 572 [See Note] | \$- |
| Water Utility Fund 570 | \$8,250,694 | \$54,053,213 | (\$60,302,568) | (\$24,589) Appropriation | \$1,976,750 |

| | | | | | |
|---------------------------------------|--------------|--------------|----------------|--|--------------|
| Water Reclamation Utility Fund 572 | \$49,514,119 | \$32,629,282 | (\$28,318,561) | (\$12,295) Appropriation (\$4,098) Loan to Fund 567 [See Note] | \$53,808,447 |
|---------------------------------------|--------------|--------------|----------------|--|--------------|

Note: Loan from Water Reclamation Utility Fund to Reclaimed Water Utility Fund at fiscal year end, if needed based on actual expenditures.

ENVIRONMENTAL ANALYSIS:

No environmental review is required because the proposed action is not a project governed by the California Environmental Quality Act.

PREPARED BY: KATIE HOCKETT, OPERATIONS MANAGER

REVIEWED BY: TOM MOODY, GENERAL MANAGER

REVIEWED BY: CITA LONGSWORTH, PURCHASING MANAGER

REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: DARRELL TALBERT, CITY MANAGER & EXECUTIVE DIRECTOR

Attachments: Vendor Quotes and backup documentation