



# *CITY COUNCIL AGENDA REPORT*

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MEETING DATE: OCTOBER 6, 2015

ITEM NUMBER: **CC-10**

**SUBJECT: AWARD THE PURCHASE OF ONE NEW 2015 CATERPILLAR 420F BACKHOE LOADER**

**DATE: SEPTEMBER 24, 2015**

**FROM: PUBLIC SERVICES DEPARTMENT / MAINTENANCE SERVICES DIVISION**

**PRESENTATION BY: ERNESTO MUNOZ, PUBLIC SERVICES DIRECTOR**

**FOR FURTHER INFORMATION CONTACT: BRUCE LINDEMANN, MAINTENANCE SUPERINTENDENT (714) 327-7470**

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## **RECOMMENDATION**

Approve and authorize the Chief Executive Officer to execute an agreement for the purchase of one (1) new 2015 Caterpillar Backhoe Loader, model 420-F2, with an extended warranty and two (2) Caterpillar pin-lock buckets, through the National Joint Powers Alliance (NJPA) #032515-CAT with Quinn CAT Company, 25961 Wright Street, Foothill Ranch, CA 92610 in the amount of \$127,734.63.

## **BACKGROUND**

Included in the City's adopted FY 2015-16 Operations and Capital Improvement Budget, this purchase will replace two (2) existing backhoe-loaders with one new piece of equipment. This will reduce the number of backhoe-loaders in the City fleet to more cost effectively meet the operational needs of the Maintenance Services Division.

This purchase provides for a backhoe loader and two (2) buckets for the Street Maintenance and Traffic Sections of the Maintenance Services Division. This vehicle will replace two (2) backhoe-loaders that have exceeded their useful life: Unit #194 a 1986, Massy Ferguson 50 HX Backhoe which has extensive rust, body damage, worn hand controls, and continuous hydraulic leaks that cause power loss and a poorly running engine; Unit #361 a 1985, John Deere 510 backhoe that has a contaminated hydraulic system, worn engine with leaking seals and weakened pivot points.

## **ANALYSIS**

Purchasing this piece of equipment using the National Joint Powers Alliance (NJPA), Cooperative Contract #032515-CAT, meets all requirements set forth in the City of Costa Mesa's purchasing policy manual and all requirements set forth by the State of California in regards to regional cooperative agreements. NJPA members receive a 21% discount off manufacturers suggested fleet pricing. The Quinn CAT Company took an additional 3% off the suggested price, using their dealer discretionary discount to arrive at the best possible price for the City.

## **ALTERNATIVES CONSIDERED**

The alternative to purchasing a new backhoe would be to retain the John Deere 510 and have it completely refurbished and eliminate the Massy-Ferguson backhoe, which is well beyond its useful life and would be cost prohibitive to renovate. However, this alternative would be costly and does not address items such as the lack of available parts for future repairs or the City's goal of meeting California Air Resources Board (CARB) requirements for meeting pollution reduction requirements for Tier Four heavy equipment. Staff does not recommend this option.

## **FISCAL REVIEW**

The Public Services Department FY 2015-16 budget provides \$135,000 for the replacement of this vehicle. The cost of the new Caterpillar 420-F2 Backhoe-loader with two (2) buckets and extended warranty is \$127,734.63, resulting in a savings of \$7,265.37 from the budgeted amount.

## **LEGAL REVIEW**

There is no legal review required on this item.

## **CONCLUSION**

Purchasing this budgeted piece of equipment using the National Joint Powers Alliance cooperative contract meets all requirements set forth in the City of Costa Mesa's purchasing policy manual and all requirements set forth by the State of California and secures the most competitive pricing available for the City.

Therefore, staff recommends that the City Council approve and authorize the Chief Executive Officer to execute an agreement for the purchase of one (1) new 2015 Caterpillar Backhoe Loader, model 420-F2, with an extended warranty and two (2) Caterpillar pin-lock buckets, through the National Joint Powers Alliance (NJPA) #032515-CAT with Quinn CAT Company, 25961 Wright Street, Foothill Ranch, CA 92610 in the amount of \$127,734.63.

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ERNESTO MUNOZ  
Public Services Director

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BRUCE HARTLEY  
Maintenance Services Manager

ATTACHMENTS: 1 [Cost Quotation – Quinn CAT Company](#)