

City of Sacramento

Legislation Details (With Text)

File #: 2019-01251 **Version:** 1
Type: Consent Item **Status:** Agenda Ready
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On agenda: 9/10/2019 **Final action:** 12/31/2023
Title: Contract: Wheel Loader Purchase

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Title:

Contract: Wheel Loader Purchase

File ID: 2019-01251

Location: Citywide

Recommendation:

Pass a Motion authorizing the purchase of two (2) wheel loaders at the option price set forth in Contract No. 2015-2027 with Deere Credit, Inc. and increase the contract amount by \$208,740 (the option price, plus tax), for a revised total not-to-exceed amount of \$446,177.

Contact: Alison Kerstetter, Program Specialist, (916) 808-1163; Mark Stevens, Fleet Manager, (916) 808-5869, Department of Public Works

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Agreement

Description/Analysis

Issue Detail: The Department of Public Works, Fleet Management Division, has a customer

requirement to purchase two (2) wheel loaders for the Department of Utilities, Water Division. The loaders will be used at City water treatment plants to treat and dispose of the sludge created during the water sedimentation and purification process.

Policy Considerations: The recommendations in this report are in accordance with City Code Chapter 3.56.

Economic Impacts: None

Environmental Considerations: No environmental review is necessary because the recommendations in this report involve the purchase of vehicles and are not considered to be a project in accordance with Section 15378(b)(2) of the California Environmental Quality Act guidelines.

Sustainability: The recommended purchases are consistent with the updated Fleet Sustainability Policy adopted by City Council on December 12, 2017 (Resolution No. 2017-0478).

Commission/Committee Action: None

Rationale for Recommendation: On October 27, 2015, City Council adopted Motion No. 2015-0273, awarding a three-year contract to Deere Credit, Inc. for the lease of two (2) wheel loaders. The original contract approved included an option to purchase the vehicles at the end of the lease term.

During the Fiscal Year 2019/20 budget process, the Department of Utilities received approval to purchase two (2) new loaders at a cost of \$166,500 each. By exercising the option to purchase the leased vehicles rather than purchasing new units, the City will achieve a savings of \$124,260. The option prices for each vehicle are set forth in the table below:

	Option Price	Tax	Total
Loader-002	\$94,309	\$8,252	\$102,561
Loader-003	\$97,635	\$8,544	\$106,179
	Total Price		\$208,740

Financial Considerations: The recommended purchase, in a total amount not to exceed \$208,740, will be made from the Department of Public Works Fiscal Year (FY) 2019/20 operating budget (Fleet Fund, Fund 6501) and will be charged to the Department of Utilities Water Fund Fleet Project (106145000) (Water Fund, Fund 6005). Sufficient funding exists in the Department of Public Works FY2019/20 operating budget and the Department of Utilities Water Fund Fleet Project (106145000) to support the recommended purchase.

Local Business Enterprise (LBE): Deere Credit, Inc. is not an LBE. The minimum LBE participation requirement is waived for the City's use of cooperative purchase agreements that have been competitively bid, evaluated, and awarded by other governmental agencies that may or may not have

similar LBE programs.