



City Council Report

Date: March 23, 2015
To: City Council
Through: Alex Deshuk, Manager of Technology and Innovation
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: Purchase of One Replacement Rubber-Tired Wheel Loader for the
Transportation Department **(Funded by the Vehicle Replacement Fund)**
(Citywide)

Purpose and Recommendation

Council is requested to approve a contract to purchase one replacement rubber-tired wheel loader as recommended.

The Fleet Services and Transportation Departments, and Purchasing recommend awarding the contract to the lowest, responsive and responsible bidder, Empire Southwest, LLC (a Mesa business) at \$173,162.01.

Background / Discussion

This purchase will provide one replacement rubber-tired wheel loader with all-wheel drive, essential to support daily operations for the Transportation Department.

The vehicle purchase is part of the ongoing City of Mesa vehicle replacement program managed by Fleet Services. The vehicle being replaced has exceeded life cycle replacement criteria and will be retired and sold at auction.

The Life Cycle Cost Method was used for the bid evaluation. The evaluated purchase price equals *bid price less the buy-back price at 84 months (or 2,000 hours) plus guaranteed maximum repair cost*. The guaranteed maximum Preventative Maintenance (PM) and Repair Cost will be considered to be an annuity with the bid amount reflecting the maximum PM and repair costs for each time-line item listed.

Flaska JCB's response was determined to be non-responsive because of numerous deviations: overall dimensions of the backhoe (vendor left many responses blank); vendor required diagnostic software not available to the City; vendor will not allow the City to perform warranty work; and only offered a 24-month warranty.

Alternatives

Council may choose not to authorize the purchase and new responses will be solicited.

Fiscal Impact

This purchase is funded by the Vehicle Replacement Fund.

Coordinated With

Fleet Services, Transportation and Purchasing

PURCHASING INFORMATION

Action: Award

Procurement Type: Request for Bids

Solicitation Number: 2015132

Vendors Registered: ProcureAZ (223) on Vendor Self Service (3)

Advertising: Arizona Republic, Bid Net, ProcureAZ and Purchasing Website

Downloads: 16

Responses: 3 (including 1 Non-Responsive)

Local Consideration: The Mesa bidder was already the lowest, responsive and responsible bidder

Protests Received: None

Pricing: All pricing shall be firm for the one year term of the contract and include all transportation, insurance and warranty costs. The City reserves the right to purchase additional Rubber-Tired Wheel Loaders All-Wheel Drive Design at the bid price for twelve months after the bid award date

Pricing Available to Other Cooperative Agencies: Yes

January 20, 2015 Responses:

(Rubber-Tired Wheel Loader, All-Wheel Drive Design Life Cycle Cost Bid)

	Empire Southwest LLC Mesa, AZ	RDO Equipment Company Phoenix, AZ	Flaska JCB Phoenix, AZ
Total Ownership Cost	\$80,086.00 (Recommended) \$78,684.49 (Bid less 1.75% Mesa TPT)	\$82,889.00	Non- Responsive

AWARD RECOMMENDATION

***Empire Southwest, LLC
Mesa, AZ***

Description	
Quantity One - 2014 or Newer All-Wheel Drive Design Rubber-Tired Backhoe (Caterpillar 926M) per Terms and Conditions, Specifications and Pricing as offered	
Base	\$160,261.00
8.05% Sales Tax	<u>\$12,901.01</u>
Total	<u>\$173,162.01</u>
<u>One</u> Replacement Vehicle for Transportation (#710) funded by the Vehicle Replacement Fund.	