



City Council Report

Date: October 5, 2015
To: City Council
Through: Alex Deshuk, Chief Innovation Officer
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: Purchase of One Replacement Front Loader with Box Scraper for the Water Resources Department **(Funded by the Utility Replacement Extension & Renewal Fund) (Citywide)**

Purpose and Recommendation

Council is requested to approve a contract to purchase one replacement front loader with box scraper as recommended.

The Fleet Services, and Water Resources Departments, and Purchasing recommend awarding the contract to the lowest, responsive and responsible bidder, Empire Southwest, LLC (a Mesa business) at \$74,961.85.

Background / Discussion

This purchase will provide a front loader with box scraper (skip loader with Gannon attachment) essential to support Water Treatment Plant daily maintenance operations.

This vehicle purchase is part of the ongoing City of Mesa vehicle replacement program managed by Fleet Services. The current vehicle being replaced has exceeded its life cycle replacement due to age and has high ongoing maintenance costs. The vehicle 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 and tax*. The guaranteed maximum PM & repair cost will be considered to be an annuity with the bid amount reflecting the maximum PM & repair costs for each time-line item listed.

Alternatives

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

Fiscal Impact

This purchase is funded by the Water Resources – Water Utility budget through the Utility Replacement Extension & Renewal Fund.

Coordinated With

Fleet Services, Water Resources, and Purchasing

PURCHASING INFORMATION

Action: Award

Procurement Type: Request for Bids

Solicitation Number: 2016033

Vendors Registered: ProcureAZ (176) and Vendor Self Service (8)

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

Responses: 2

Local Consideration: The Mesa bidder was already the lowest, responsive and responsible bidder. Calculating pricing by using Management Policy #214, removing 1.75% (Mesa TPT) for the purpose of bid evaluation was not necessary.

Protests Received: None

Contract Term: Two years from the award date

Additional Purchases: The City reserves the right to purchase additional small front loaders with a box scraper at the bid price for six months from the bid award date.

Pricing Available to Other Cooperative Agencies: Yes

August 19, 2015 Responses

	Empire Southwest LLC Mesa, AZ	RDO Equipment Company Phoenix, AZ
Calculated Life Cycle Cost / Total Ownership Cost	\$69,377.00 (Recommended) *\$68,162.90 (Price less 1.75% Mesa TPT)	\$71,317.93

AWARD RECOMMENDATION

Empire Southwest, LLC.
Mesa, AZ

Description	
Quantity One – 2015 or Newer Front Loader with Box Scraper (CAT 415F2) per Terms and Conditions, Specifications and Pricing as offered	
Base	\$69,377.00
8.05% Sales Tax	<u>\$5,584.85</u>
Total	<u>\$74,961.85</u>
<u>One</u> Replacement Vehicle for Water Resources – Water Utility funded by the Utility Replacement Extension & Renewal Fund to replace #237.	