



City Council Report

Date: September 26, 2016
To: City Council
Through: Mike Kennington, Chief Financial Officer
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: Purchase of Three Replacement Tilt Trailers, Two Replacement Backhoes and One Vibratory Compactor Roller for the Transportation, Energy Resources, and Parks, Recreation and Community Facilities Departments as requested by the Fleet Services Department **(Citywide)**

Purpose and Recommendation

Council is requested to approve the Purchase of Three Replacement Tilt Trailers, Two Replacement Backhoes and One Vibratory Compactor Roller as recommended.

The Fleet Services, Transportation, Energy Resources, and Parks Recreation and Community Facilities Departments and Purchasing recommend authorizing the purchase using the City of Tucson / National IPA cooperative contract with Empire Southwest, LLC (a Mesa business) of \$474,023.47.

Background / Discussion

The equipment tilt trailers (#UC -19, UC-20 and PK-27), backhoes (#462 and 327) and compactor roller (#1747) being replaced are part of the ongoing City of Mesa replacement program managed by Fleet Services. All of this equipment has reached or exceeded life cycle replacement due to age, has high maintenance costs, and will be retired and sold at auction.

Using the City of Tucson contract through the National IPA is beneficial to the City due to this cooperative's high volume of purchases. Tucson anticipates spending approximately \$15 million for heavy equipment and the National IPA purchase volume is approximately \$100,000,000 over the full contract term. The City compared purchases through previous agreements for similar equipment and found that the National IPA agreement provided the City the same or better pricing.

Alternatives

Council may choose not to award the purchase and new responses will be obtained.

Fiscal Impact

This purchase is funded by the Utility Replacement Extension & Renewal Fund, Local Streets Sales Tax Fund and Vehicle Replacement Fund.

Coordinated With

Fleet Services, Transportation, Energy Resources – Gas Utility, Parks Recreation and Community Facilities, and Purchasing

PURCHASING INFORMATION

Action: Award

Procurement Type: Cooperative Contract)

Contracting Agency: City of Tucson (National IPA)

Contracting Agency Contract Number: #120377

Contracting Agency Contract Term: 5/1/2016 through 5/1/2017 (fourth, one-year renewal issued 3/23/2016)

Mesa Contract Number: 2017040

AWARD RECOMMENDATION

Empire Southwest, LLC
Mesa, AZ

Description	
<u>Quantity 2 – Tilt Equipment Trailer (TKT50LP)</u> per City of Tucson/National IPA Contract #120377 and Quote TK-39681 00 dated 8/31/2016	
Base Sub-Total (\$29,800.00/each)	\$59,600.00
8.05% Sales Tax (\$2,398.90/each)	\$4,797.80
Estimated Freight (\$2,500.00/each)	\$5,000.00
Doc Fee (\$225.00/each)	<u>\$450.00</u>
<u>Total for 2</u>	<u>\$69,847.80</u>
<u>Two</u> Replacement Trailers for Energy Resources – Gas Utility funded by the Utility Replacement Extension & Renewal Fund to replace UC-19 and UC-20.	
<u>Quantity 1 – Tilt Equipment Trailer (TKT40LP)</u> per City of Tucson/National IPA Contract #120377 and Quote TK-39662 00 dated 8/31/2016	
Quantity - Base Sub-Total	\$24,500.00
8.05% Sales Tax	\$1,972.25
Estimated Freight (\$2,500.00/each)	\$2,500.00
Doc Fee (\$225.00/each)	<u>\$225.00</u>
<u>Total for 1</u>	<u>\$29,197.25</u>
<u>One</u> Replacement Trailer for the Parks, Recreation and Community Facilities funded by the Vehicle Replacement Fund to replace PK-27.	

Quantity 2 – 2016 Backhoe (Caterpillar 430F2 4ECI) per City of Tucson/National IPA Contract #120377 and Quote dated 8/30/2016

Base Sub-Total (\$142,794.00/each)	\$285,588.00
8.05% Sales Tax (\$11,494.92/each)	<u>\$22,989.84</u>
<u>Total for 2</u>	<u>\$308,577.84</u>

One Replacement Backhoe for Transportation funded by the Local Streets Sales Tax Fund to replace #462; and One Replacement Backhoe for Energy Resources – Gas Utility funded by the Utility Replacement Extension & Renewal Fund to replace #327.

Quantity 1 – 2016 Double Smooth Vibratory Compactor Roller (Caterpillar CB34B) per City of Tucson/National IPA Contract #120377 and Quote dated 8/15/2016

Base Sub-Total	\$73,159.00
City of Tucson/NIPA Discount 16%	<u>(\$11,705.44)</u>
Net Base Sub-Total	\$61,453.56
8.05% Sales Tax	<u>\$4,947.02</u>
<u>Total for 1</u>	<u>\$66,400.58</u>

One Replacement Roller for Transportation funded by the Local Streets Sales Tax Fund to replace #1747.

Combined Equipment Purchases	<u>\$474,023.47</u>
-------------------------------------	----------------------------