



City Council Report

Date: November 6, 2023
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Kristy Garcia, Procurement Administrator
Subject: Cooperative Contract Use for the Purchase of One (1) Heavy-Duty Forklift (Replacement) for the Energy Resources Department **(Funded by the Utility Replacement Extension and Renewal Fund) (Citywide)**

Recommendation

Council is requested to approve the award as recommended.

The Fleet Services and Energy Resources Departments and Purchasing recommend authorizing the purchase using the Sourcewell cooperative contract with CNH Industrial America, LLC / Sonsray Machinery (the local dealer) for \$101,795.62, based on estimated requirements.

Background / Discussion

This purchase is for a new Case 586H Forklift that will support Energy Resources Department - Gas Utility. This 4WD forklift will be used for offloading materials and supplies at the Magma yard and rough terrain job sites. The Department opted for a rough terrain forklift in lieu of a backhoe (1997 John Deere 310E) that is due for replacement, as the forklift will better serve Gas Utility's purpose for the equipment.

The City normally would have selected a Caterpillar product for this purchase as they are a local vendor and the equipment meets our specifications. However, Caterpillar recently sold all their all-terrain product line to Noman Hobbs; who did not respond to the City's request for a quote. The recommended Case 586H Forklift meets the department's specifications, is currently in-stock and ready for delivery, and the mobile and local repair facility is located in Chandler.

The Sourcewell cooperative contract has been bid competitively and meets the City's procurement requirements. Utilizing the Sourcewell contract allows the City to receive very competitive rates based on a nationally solicited agreement. The City believes the price is fair and reasonable and soliciting for this product would not result in the City receiving more favorable pricing or terms.

Purchase Information

Action: Award
Procurement Type: Cooperative Contract Use
Contract Number: 2024043
Contracting Agency/Contract Number – Sourcewell/032119-CNH-1
Local Consideration: Policy did not apply to this procurement method
Funding Source: Fleet Services Department budget through the Utility Replacement Extension and Renewal Fund – Gas Sub Fund

AWARD RECOMMENDATION	
<u>One</u> – 2023 Case 586H 4WD Forklift per Contract No. 2024043, Sourcewell 032119-CNH-1 and Quote dated 9/7/2023:	
Base Price	\$135,003.89
30% Sourcewell Discount	(\$39,016.00)
Factory Discount	<u>(\$3,038.00)</u>
Base Sub Total	\$92,949.89
8.6% Phoenix Sales Tax	\$1,000.18
8.3% Phoenix Step Tax	\$6,749.55
PPP-Premier 36/3000 (\$0 Deductible)	\$1,096.00
Total	<u>\$101,795.62</u>
<u>One</u> Replacement for the Energy Resources Department funded by the Utility Replacement Extension and Renewal Fund – Gas Sub Fund.	