



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: FEBRUARY 8, 2022**

FROM: GENERAL SERVICES DEPARTMENT **WARDS: ALL**

**SUBJECT: MEASURE Z - PURCHASE A VARIETY OF HEAVY-DUTY EQUIPMENT FROM
PB LOADER CORPORATION AND QUINN COMPANY FOR THE PUBLIC
WORKS STREET MAINTENANCE DIVISION IN THE TOTAL AMOUNT OF
\$2,337,726.44 – SUPPLEMENTAL APPROPRIATION**

ISSUE:

Approve the purchase of a variety of heavy-duty equipment from PB Loader Corporation and Quinn Company for the Public Works Street Maintenance Division in the total amount of \$2,337,726.44.

RECOMMENDATIONS:

That the City Council:

1. Approve the purchase of a variety of heavy-duty equipment from PB Loader Corporation and Quinn Company for the Public Works Street Maintenance Division in the total amount of \$2,032,805.60 using section 602(f) of Purchasing Resolution 23812;
2. Authorize 15% change order authority up to \$304,920.84 for equipment cost inflation for a total amount of \$2,337,726.44.
3. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation for \$304,920.84 from Measure Z fund balance.

BACKGROUND:

The Public Works Department Street Maintenance Division is responsible for the maintenance and repairs of City roadways. These responsibilities include repairing potholes, slurry sealing roadways, grading and excavation. The field crews require various types of heavy-duty equipment to accomplish their operational responsibilities and it is crucial that the equipment is readily available, safe, and reliable.

The equipment that is proposed for replacement has experienced extended periods of down time for repairs, has exceeded their expected service life, and has excessive life to date maintenance costs. To ensure operating efficiency, employee productivity, and continued public safety,

equipment that has reached the end of their economic and useful life span should be replaced. The new proposed equipment will replace the existing units outlined in the following table:

Asset No.	Year Make Model	Odometer	Replacement Reason
S099	1986 International Dump Truck	147,987 miles	35 years of age with excessive wear and tear and life to date maintenance cost and does not meet pending clean air regulatory requirements.
S107	1988 Freightliner Dump Truck	188,937 miles	33 years of age with excessive wear and tear and life to date maintenance cost and does not meet pending clean air regulatory requirements.
E351	2007 GM Patch Truck	156,761 miles	14 years of age with excessive wear and tear and life to date maintenance cost.
E363	2008 GM Patch Truck	163,650 miles	13 years of age with excessive wear and tear and life to date maintenance cost.
L103	1985 Caterpillar 936 Loader	9,436 hours	36 years of age with excessive wear and tear and life to date maintenance cost and does not meet current clean air regulatory requirements.
L152	2006 John Deere 410G Backhoe	4,330 hours	15 years of age with excessive wear and tear and life to date maintenance cost and does not meet current clean air regulatory requirements.
L155	2006 Caterpillar 216B Skid Steer	1,875 hours	15 years of age with excessive wear and tear and life to date maintenance cost and does not meet current clean air regulatory requirements.

DISCUSSION:

To help address the service cuts as well as a portion of the City of Riverside's (City) critical unfunded needs, at staff's recommendation, the Mayor and the City Council placed Measure Z on the November 8, 2016 ballot. The measure authorized a one-cent increase in the City's sales tax rate and was approved by over 60% of Riverside voters. The collection of the additional one-cent sales tax authorized by voters through the passage of Measure Z began on April 1, 2017.

In response to the feedback received at the April 19, 2021 City Council Budget Workshop, staff has summarized the cost of several items that Council Members identified as funding priorities for Fiscal Year 21/22. One of the adjustments was to add funding for Public Works vehicles and equipment. On May 18, 2021, City Council approved the budget for Fiscal Year 21/22 which included \$2,000,000 of additional funds from Measure Z for Public Works equipment replacement.

Make Model	Quantity	Unit Price w/ Sourcewell Discount	Misc Fees / Freight	Sales Tax	Total Price
Caterpillar Inc. 430 Backhoe Loader (Quinn Company)	1	\$148,294.56	\$7.00	\$12,975.77	\$161,277.33
Caterpillar Inc. 262D3 Skid Steer Loader (Quinn Company)	1	\$85,173.58	\$7.00	\$7,452.69	\$92,633.27
Caterpillar Inc. 120JOY Motor Grader (Quinn Company)	1	\$337,935.99	\$10.50	\$29,569.40	\$367,515.89
Caterpillar Inc. 930M Wheel Loader (Quinn Company)	1	\$232,327.09	\$7.00	\$20,328.62	\$252,662.71
Freightliner Patch Truck (PB Loader)	2	\$299,282.00	\$1,600.00	\$26,188.00	\$654,140.00
Freightliner 114SD Dump Truck (PB Loader)	2	\$225,088.00	\$7,505.00	\$19,695.20	\$504,576.40
				Total	\$2,032,805.60

Cooperative Procurement

Sourcewell is a national service cooperative created to provide government procurement resources and solutions to members in government, education, and nonprofit sectors. Since the City of Riverside is a member of Sourcewell, PB Loader Corporation and Quinn Company are able to provide the best overall government pricing in accordance with Cooperative Agreement Numbers 052417-PBL, 080521-PBL, and 032119-CAT through this competitive process.

The City is receiving a discount in the amount of \$349,280.66 on the equipment purchased from the Sourcewell contracts which reduced the total cost of the equipment from \$2,382,086.26 to a revised cost of \$2,032,805.60. The utilization of the Sourcewell contracts is in accordance with Purchasing Resolution No. 23812, Section 602(f) which states that, "Competitive Procurement through the Informal Procurement or Formal Procurement process shall not be required in any of the following circumstances: ... (f) When Cooperative Purchasing is available and undertaken or when Goods can be obtained through Federal, State and/or other public entity pricing contracts or price agreements".

The Purchasing Manager concurs that the recommendation to approve is in compliance with Purchasing Resolution No. 23812.

The Public Works Director concurs with this report.

STRATEGIC PLAN ALIGNMENT:

The recommended purchase of the new replacement heavy-duty equipment vehicles contributes to the City's Strategic Priority No. 4 *Environmental Stewardship* and Goal 4.6 – implement the

requisite measures to achieve citywide neutrality no later than 2040.

The recommended purchase aligns with EACH of the five Cross-Cutting Threads as follows:

1. **Community Trust** – This action builds community trust by ensuring that the Public Works Street Maintenance Division has safe and reliable equipment available for crew members to use when responding to service calls and when performing road maintenance and repairs.
2. **Equity** – The Public Works Street Maintenance Division maintains and repairs City roadways. Replacing the older equipment with safer and reliable equipment will ensure equitable services for the community.
3. **Fiscal Responsibility** – Equipment that has reached the end of their useful life cycle are more costly to operate and maintain. The General Services Fleet Management Division is proposing this purchase in accordance with Purchasing Resolution 23812, Section 602(f) to ensure the best price, terms and conditions are negotiated.
4. **Innovation** – This purchase of new replacement heavy-duty equipment will optimize the operational efficiency of the Public Works Street Maintenance Division by having equipment that is ready to use, safe, and reliable.
5. **Sustainability & Resiliency** – This purchase will result in replacement equipment for Public Works Street Maintenance Division which meet all SCAQMD requirements.

FISCAL IMPACT:

The total fiscal impact of the action is \$2,337,726.44. Funds in the amount of \$2,032,805.60 are budgeted and available in FY 2021/22 Measure Z Fund, Public Works Street Maintenance Automotive Equipment Account No. 8004301-462100 (\$2,000,000) and General Fund, Public Works Street Maintenance Const. Maint. Materials Account No. 4110100-424121 (\$32,805.60).

A supplemental appropriation of \$304,920.84 is requested to cover a potential change order for equipment cost inflation. In the event a change order is required for this purchase, Staff will record an appropriation of \$304,920.84 in FY 2021/22 Measure Z Fund, Public Works Street Maintenance Automotive Equipment Account No. 8004301-462100 and reduce FY 2022/23 budget by the same amount.

This shifting of budget forward to FY 2021/22 will be offset with an equal reduction in the FY 2022/23 budget and result in an overall net zero impact between the two fiscal years. The resulting budget adjustments will not exceed the Measure Z spending plan allocations.

Prepared by: Carl Carey, General Services Director
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Kris Martinez, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. Sourcewell Quotes from PB Loader Corporation
2. Sourcewell Contract #052417-PBL
3. Sourcewell Contract #080521-PBL
4. Sourcewell Quotes from Quinn Company
5. Sourcewell Contract #032119-CAT