

CITY OF LONG BEACH

R-14

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6845 • Fax (562) 570-5836

July 7, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution authorizing the City Manager to execute a contract and any amendments thereto with Denardi Machinery, Inc., dba D3 Equipment, for the purchase of four Case 590SM backhoes on the same terms and conditions afforded to the City of San Diego in the total amount not to exceed \$383,346, plus a 10 percent contingency (or \$38,335), if necessary and if funds are available. (Citywide)

DISCUSSION

City Council approval is being requested authorizing the City Manager to execute a contract for the purchase of four Case 590SM backhoes for the Long Beach Gas & Oil Department.

The Department of Public Works, Fleet Services Bureau, is requesting to purchase four Case 590SM backhoes as part of the 2009 replacement schedule in order to meet the deadline of March 1, 2010, to bring the City's use of off-road equipment to emissions compliant level. This will be achieved by replacing the older equipment with the new State of California Air Resources Board (CARB) certified powered equipment. This new equipment will replace existing equipment that is 20 years old, with a scheduled lifecycle of 12 years. The new backhoes will be issued to the Long Beach Gas & Oil Department, Construction Division, as the primary equipment used for street surface and earth removal. This equipment is used on a daily basis for the maintenance and installation of the main gas lines throughout the City of Long Beach.

The City Charter provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment and labor with other governmental agencies by purchasing under their contracts on a voluntary and selective basis when authorized by a Resolution of the City Council.

The Department of Public Works, Fleet Services Bureau, investigated procurement options and learned that the City of San Diego had completed a competitive bid process in October 2003. The bid was awarded to Denardi Equipment Inc., dba D3 Equipment of Santa Fe Springs, CA. Since this competitive bid process, the backhoe pricing has increased by 11.5 percent due to an increase in raw materials. After thorough review, the Fleet Services Bureau has determined that D3 Equipment meets the City's requirements. This

HONORABLE MAYOR AND CITY COUNCIL

July 7, 2009

Page 2

cooperative purchase agreement will facilitate the timely acquisition of these backhoes and provide cost benefits to the City.

Denardi Equipment, Inc., dba D3 Equipment, has agreed to sell four Case 590SM backhoes to the City under the same terms and conditions as afforded to the City of San Diego. The Matrix Fleet Review Study also supports the use of cooperative purchase agreements and adherence to a long-term replacement plan.

This matter was reviewed by Deputy City Attorney Amy R. Burton on June 8, 2009 and Budget and Performance Management Bureau Manager David Wodynski on June 10, 2009.

TIMING CONSIDERATIONS

City Council action to adopt the attached Resolution is requested on July 7, 2009 to ensure that the contract is in place expeditiously to minimize delivery turnaround time.

FISCAL IMPACT

The cost of this contract is \$383,346 including tax, and is budgeted in the Fleet Services Fund (IS 386) in the Department of Public Works (PW). The Fleet Services Bureau has applied, through the State of California, for the Carl Moyer Off Road Vehicle Replacement Grant. If approved, the City will receive \$152,500 to offset the acquisition cost. The City will have the option of adding expenditures up to 10 percent (or \$38,335) above the contract amount, if necessary and if funds are available.

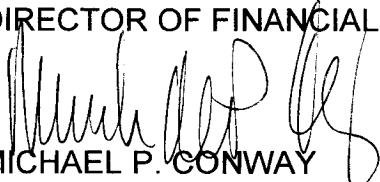
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO



MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

APPROVED:



PATRICK H. WEST
CITY MANAGER

FM:LAF:MPC
K:\Exec\Council Letters\Purchasing\07-07-09 ccl - Adopt Reso - D3 Equipment Backhoes.doc

ATTACHMENT

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO PURCHASE FOUR CASE 590SM BACKHOES THROUGH THE AGREEMENT BETWEEN THE CITY OF SAN DIEGO AND DENARDI MACHINERY, INC. DBA D3 EQUIPMENT

WHEREAS, the Charter of the City of Long Beach (the "City"), Section 1802, permits the City to purchase services, supplies, materials, equipment and labor with other government agencies by purchasing under their contracts on a voluntary and selective basis when authorized by resolution; and

WHEREAS, the City desires to purchase four (4) Case 590SM Backhoes ("Backhoes"); and

WHEREAS, the City of San Diego has an Agreement for the purchase of these Backhoes, Bid No. 6214-04-Z ("San Diego Agreement"); and

WHEREAS, the City's participation in the San Diego Agreement will facilitate acquisition of these Backhoes as well as provide considerable cost benefits to the City; and

WHEREAS, if the City had to go to formal bid rather than participate in the San Diego Agreement considerably more funds would be required;

NOW, THEREFORE, the City Council of the City of Long Beach resolves as follows:

1. The above recitals are true and correct and are incorporated herein by this reference.
2. The City Manager of the City is hereby authorized to enter an agreement with Denardi Machinery, Inc. dba D3 Equipment to purchase four (4) 590SM

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 Backhoes of substantially the same type and kind purchased by the City of San Diego
2 pursuant to the San Diego Agreement except as modified by mutual agreement of the
3 City and Denardi Machinery, Inc. dba D3 Equipment, and the purchase by the City shall
4 be on the same terms and conditions afforded to the City of San Diego in an amount not
5 to exceed \$383,346, including tax, with a ten percent (10%) contingency for equipment
6 adjustments if necessary, for a period extending until the warranty on the Backhoes
7 expire.

8 3. This resolution shall take effect immediately upon its adoption by the
9 City Council, and the City Clerk shall certify the vote adopting this resolution.

10 I hereby certify that the foregoing resolution was adopted by the City
11 Council of the City of Long Beach at its meeting of _____, 20__ by the
12 following vote:

13
14 Ayes: Councilmembers: _____
15 _____
16 _____
17 _____

18 Noes: Councilmembers: _____
19 _____

20 Absent: Councilmembers: _____
21 _____

22
23
24 _____
25 City Clerk

26
27
28