

C-19

June 6, 2023

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute a contract, and any necessary documents including any necessary subsequent amendments, with Caterpillar Inc., through its local dealer, Quinn Company, of City of Industry, CA, for the purchase of four Caterpillar 430 backhoe loaders, with related equipment and accessories, on the same terms and conditions afforded to Sourcewell, in a total amount not to exceed \$1,016,512, inclusive of taxes and fees. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with Caterpillar Inc., through its local dealer, Quinn Company, for the purchase of four Caterpillar 430 model backhoe loaders. These units are approved in the Fiscal Year 2022 (FY 22) Fleet Replacement Plan and will be used by the Long Beach Utilities Department. The proposed units are replacing four units that are 14 years old and at the end of their useful life. These backhoes will be used in the Long Beach Utilities Engineering Bureau for daily operations and special projects.

The Fleet Services Bureau of the Department of Financial Management researched procurement options for heavy construction equipment and discovered other agencies had completed an open, fair, transparent, and competitive procurement process. The City of Long Beach (City) reviewed the cooperative agreement options and Sourcewell's agreement with Caterpillar, Inc., through their local distributor, Quinn Company, was determined to provide the best discounted price while allowing for timely acquisition and delivery. All Sourcewell contracts are competitively bid and offer the best available pricing.

City Charter Section 1802 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 contract on a voluntary and selective basis when authorized by a Resolution adopted by the City Council.

This matter was reviewed by Deputy City Attorney Taylor Anderson on May 9, 2023, Purchasing Agent Michelle Wilson on May 15, 2023, and by Revenue Management Officer Geraldine Alejo on May 17, 2023.

SUSTAINABILITY

Fleet Services researched alternative fueled and zero-emission options and determined there are no viable lower-emission alternatives currently available on the market. The backhoes have a tier-4 diesel engine with advanced emissions controls, certified by the California Air Resources Board, which significantly reduces greenhouse gas, nitrous oxide, and particulate emissions. They are fully compliant with the State of California and local air quality emission standards and will be utilizing renewable diesel fuel in City service.

TIMING CONSIDERATIONS

City Council action to adopt a Resolution and award a contract concurrently is requested on June 6, 2023, to ensure the contract is in place expeditiously following Long Beach Utilities Board approval of the purchase.

FISCAL IMPACT

The total contract amount will not exceed \$1,016,512, inclusive of taxes and fees. The purchase is budgeted in the Fleet Services Fund Group in the Financial Management Department. Annual fuel, replacement, and maintenance costs are estimated at \$31,050 per unit. Annual costs will be collected from the Gas Fund Group in the Long Beach Utilities Department through the Fleet Services Memorandum of Understanding (MOU) monthly billing process, contingent on Long Beach Utilities Board approval. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KEVIN RIPER
DIRECTOR
FINANCIAL MANAGEMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH QUINN COMPANY TO PURCHASE FOUR CATERPILLAR 430 BACKHOE LOADERS, THROUGH CATERPILLAR INC.'S CONTRACT WITH SOURCEWELL IN A TOTAL AMOUNT NOT TO EXCEED \$1,016,512

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 Caterpillar 430 backhoe loaders, with related equipment and accessories, for use by the Long Beach Utilities Engineering Bureau for daily operations and special projects; and

WHEREAS, Sourcewell is a State of Minnesota local government agency and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to its members; and

WHEREAS, Sourcewell has a contract for the purchase of four Caterpillar 430 backhoe loaders, Contract No. 032119-CAT ("Sourcewell Contract"); and

WHEREAS, the City's participation in the Sourcewell Contract will facilitate the City's ability to purchase as well as provide considerable cost benefits to the City; and

WHEREAS, if the City had to utilize a formal bid process rather than participate in the Sourcewell Contract, considerably more funds would be required;

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

1 follows:

2 Section 1. The above recitals are true and correct and are incorporated
3 herein by this reference.

4 Section 2. The City Manager or designee is hereby authorized to enter an
5 agreement with Caterpillar Inc., through its local dealer, Quinn Company, to purchase four
6 Caterpillar 430 backhoe loaders, of the same type and kind identified in the Sourcewell
7 Contract except as modified by mutual agreement of the City and Caterpillar Inc., and the
8 purchase by the City shall be on the same terms and conditions afforded to the Sourcewell
9 in an amount not to exceed One Million Sixteen Thousand Five Hundred Twelve Dollars
10 (\$1,016,512) including tax and shipping.

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

13 I hereby certify that the foregoing resolution was adopted by the City Council
14 of the City of Long Beach at its meeting of _____, 2023, by the
15 following vote:

16
17 Ayes: Councilmembers: _____
18 _____
19 _____
20 _____

21 Noes: Councilmembers: _____
22 _____

23 Absent: Councilmembers: _____
24 _____

25
26
27 _____
28 City Clerk