

City Council – Action Request Form

Date: April 9, 2024

To: Mayor, Mayor Pro Tempore and Members of the City Council

From: Aaron King, Assistant City Manager
 William Royston, Recreation and Parks Director
 Keith Huff, Field Operations Director
 Darren Redfield, Purchasing Director

Council Action Requested:

Resolution Awarding Purchase Order for Backhoe Loaders

Strategic Focus Area: Service Excellence

Strategic Objective: Ensure Service Delivery Efficiency and Effectiveness

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

This is a two-part award.

Purchase A: the Recreation and Parks Department budgeted to replace vehicle #2015, a 2000 John Deere 410E with 2,551 use hours, with an acquisition cost of \$67,057.54, and total maintenance and repairs costs of \$47,209.81. Staff uses this backhoe on an almost daily basis to clean out storm drains, repair ditches, and remove trees and other debris.

The department’s equipment specifications were found to match those on Sourcewell, a cooperative purchasing group, who competitively bids and awards various contracts on a national basis that are available to local governments. On May 24, 2023, Sourcewell awarded heavy equipment contract #011732-CAT to Caterpillar, Inc. (Peoria, IL). The sole authorized distributor of Caterpillar brand equipment in North Carolina is Carolina CAT (Charlotte, NC), who offered Fleet Services quote #IQ225825 for a Caterpillar 420 rubber-tired backhoe loader with standard options selected by the city, for a total price of \$142,261.29 (a 22% municipal discount).

Purchase B: the Field Operations Department budgeted to replace vehicle #872, a 2005 John Deere 410G with 3,082 use hours, with an acquisition cost of \$66,981.30, and total maintenance and repairs costs of \$75,966.92. Staff uses this backhoe on a daily basis to construct, maintain, and repair sidewalks and gutters, and to excavate damaged concrete and asphalt within the city right of way.

Committee Action:

Committee	<u>F – 4/9/24</u>	Action	<u>Approval</u>
------------------	-------------------	---------------	-----------------

For	<u>Unanimous</u>	Against	<u></u>
------------	------------------	----------------	---------

Remarks:

The department's equipment specifications were found to match those on Sourcwell, a cooperative purchasing group, who competitively bids and awards various contracts on a national basis that are available to local governments. On April 5, 2023, Sourcwell awarded heavy equipment contract #011723-JDC to John Deere Construction Retail Sales (Moline, IL). The sole authorized distributor of John Deere brand equipment in North Carolina is James River Equipment (Greensboro, NC), who offered Fleet Services quote #30289357 for a John Deere 410 P-Tier 4WD backhoe loader, with standard options selected by the city, for a total price of \$163,320.20 (a 41% municipal discount).

It is recommended that a purchase order be awarded to:

- A) Carolina CAT, per Sourcwell contract #011723-CAT, a Caterpillar 420 rubber tire backhoe loader for a total price of \$142,261.29 for Recreation and Parks; and
- B) James River Equipment, per Sourcwell contract #011723-JDC, a John Deere 410P backhoe loader for a total price of \$163,320.20 for Field Operations.

These recommendations are in accordance with North Carolina General Statute 143-129(e)(3), which authorizes "purchases made through a competitive bidding group purchasing program, which is a formally organized program that offers competitively obtained purchasing products and services at discount prices to two or more public agencies."

The City's FY 2023-24 capital equipment budget includes sufficient funds for this purchase, which will be financed through the City's internal leasing program.

There are no known area M/WBE companies that sell this equipment. See Exhibit A for workforce demographics of both vendors.