



## City Council Agenda Item

**City Council Meeting Date:** November 19, 2024

**TO:** Dean Albro, City Manager

**FROM:** Keith Quinlan, Solid Waste Manager  
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**SUBJECT:** Award of a Contract Purchase Order in the Amount of \$423,985 to Quinn Company for Purchase of a Wheel Loader with Attachments for Use by the Solid Waste Utility's Lompoc Landfill

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### **Recommendation:**

Staff recommends the City Council award a contract purchase order for the purchase of an Caterpillar Model 930 Wheel Loader (Loader) for use at the Solid Waste Utility's Lompoc Landfill (Landfill) to the Quinn Company for the purchase in an amount not to exceed \$423,985.

### **Background:**

The City has historically pursued lease financing for capital purchases of high-value, long-life replacement fleet vehicles to match the capital costs with the vehicles' expected life spans. Until the City develops and implements vehicle funding policies to reserve adequate funds for capital replacements in each of the City's utilities, the most cost-effective method to replace vehicles is with the use of capital financing.

Purchases of certain capital replacements were provided for in the adopted Biennial Budget Fiscal Years 2023-25 (2023-25 Budget) from resources to be provided from capital financing. Financing was secured on December 19, 2023, with the City Council adoption of Resolution No. 6628(23). The 2023-25 Budget identified the capital expenditures as "Landfill Loader" and "Landfill Loader grapple bucket and fork attachments" with a total appropriations of \$360,000. At the time the financing was secured, the estimated cost of the vehicle and components was \$415,000. As such, Resolution No. 6628(23) included additional appropriations for the Landfill Loader of

\$55,000 to bring the total authorized appropriations to \$415,000 matching the secured financing for the Landfill Loader.

**Discussion:**

**Use of Sourcewell for Procurement**

Historically, the City has published an Invitation to Bid (Bid) or Request for Proposal (RFP) to solicit companies to provide quotes to the City to choose from. With that process, the Bid is published in the Lompoc Record, listed on the City Website, and the RFP is delivered directly to potential bidders who had either bid on similar RFPs in the past or have requested to be on the RFP list. The lowest responsible bid is then awarded and brought to the City Council for action.

However, with the ever growing complexities of governmental procurement and the availability of cooperative procurement options, which allows for “piggybacking” on others’ competitively solicited contracts, the City has been able to utilize the services of Sourcewell, a cooperative purchasing program. Sourcewell offers a wide variety of services at prices which have been assessed to be fair, reasonable and competitive. The use of Sourcewell is optional and is available to state and local government agencies.

Sourcewell competitively solicited cooperative contracts and their process conforms with the Lompoc Municipal Code and reduces procurement costs by eliminating much of the process of creating Bid or RFP documents. For the purchase of the Loader and related attachments for the Landfill, a Sourcewell procurement awarded to the Quinn Company is proposed. (See attached quote from the Quinn Company.)

The Loader will be utilized for various Landfill operations such as pushing and loading of trash, recycling, greenwaste, and woodwaste, as well as general movement of materials within the boundaries of the Landfill. The Loader attachments will provide the tools needed to perform operations efficiently at the Landfill.

**Fiscal Impact:**

The proposed issuance of capital financing for the equipment replacement was included in the 2023-25 Budget and approved by Resolution on December 19, 2023.

The 2023-25 Budget and additional requested appropriations provided for the capital purchase of the Loader utilizing up to \$415,000 of resources in 759SWL-755060. Lease financing will be used to allow for allocating the cost of the unit over the estimated life of the unit.

The attached bid was updated to include solid tires due to the location the vehicle will be used. Solid tires will minimize vehicle maintenance and down time as compared with typical tires. The result is a bid amount greater than the currently authorized \$415,000. The difference of \$8,985 requires the addition of appropriations to 759SWL-755060. The

Solid Waste Utility intends to transfer the \$8,985 from 759SWL-551400 (Equipment Rentals) to 759SWL-755060 to allow for the acquisition.

The City will be able to conserve available operating cash to be used for operational costs, matching capital costs over the estimated life of Loader by utilizing the approved financing to meet the department's capital needs.

**Conclusion:**

The use of the Sourcewell cooperative purchase agreement to secure the Loader will allow the Solid Waste Utility to continue to operate the Landfill for several years in an efficient and cost effective manner.

Respectfully submitted,

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Keith Quinlan, Solid Waste Manager

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Christie Donnelly, Management Services Director

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Travis Gomez, Fleet Supervisor

**APPROVED FOR SUBMITTAL TO THE CITY MANAGER:**

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Brad Wilkie, Utility Director

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Christie Donnelly, Management Services Director

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Michael Luther, Public Works Director

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**APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:**

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Dean Albro, City Manager

Attachment: Sourcewell/Quinn Co. Quote for Caterpillar Model 930 Wheel Loader