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DATE: October 2, 2023

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Dan Herrera, PE, Deputy Director of Operations, Public Works & Utilities (PW&U)  
Christopher J. Bolt, MPA, PE, CPM, ICMA-CM– Director, PW&U

SUBJECT: Resolution Authorizing the Purchase of a Backhoe for the Public Works & Utilities Department through Sourcewell Cooperative Purchasing Program and Authorizing the City Manager to Execute all Documents Necessary to Complete the Purchase

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### **RECOMMENDATION**

It is recommended that the City Council adopt the attached Resolution authorizing the purchase of a backhoe for the Public Works & Utilities Department through Sourcewell Cooperative Purchasing Program and authorizing the City Manager to execute all documents necessary to complete the purchase.

### **BACKGROUND**

The Streets Division of the Public Works and Utilities Department currently needs to purchase a backhoe to ensure the ability to perform its operational duties and responsibilities. The backhoe is typically utilized for various work activities such as pavement dig-outs for street repairs, sidewalk removal, excavations, debris clearing, weed abatement, and other activities of the Streets Division. The Streets Division often works together with other operational divisions utilizing equipment and vehicles to assist with various work activities throughout the department. The backhoe equipment is an essential tool for Street Division operations.

### **DISCUSSION**

The existing backhoe used by the Street Division has been non-operational for over a year. During that duration, the Streets Division has borrowed and utilized the Operations Division's backhoe to perform their duties which impacts the Operations Division's abilities to perform their work duties in a timely manner. The amount and extent of work required for public works operations requires each division to have its own backhoe equipment. By having a dedicated backhoe, the Streets

Division can complete more street repairs, more debris removal from abatement areas, and additional work to be performed throughout the year.

As for the procurement strategy, the City of Petaluma is a member of the Sourcewell Cooperative Purchasing Program (formerly National Joint Powers Alliance), which provides the City the opportunity to access competitively awarded, nationally leveraged cooperative purchasing contracts. The purchase of specialized equipment provides better prices on state and national cooperative lists since local vendors do not sell this type of specialized equipment. Participating in this competitively bid and awarded statewide purchasing program complies with the Petaluma Municipal Code, Section 4.04.100 (Cooperative purchasing programs), which supports the purchases of supplies and equipment made under a cooperative purchasing program with the State, County, or other public agencies that have been competitively bid and awarded.

The following is provided as background information on the cooperative purchasing program. Sourcewell is continuously refining its Request for Proposal process to meet its members' needs, which will meet or exceed those needs. Sourcewell identifies its members' needs by regular outreach, through advisory committees, and by researching the best approaches. After member needs are established, permission to develop the solicitation and procurement process is sought from its publicly elected Board of Directors. A draft solicitation is created and publicly advertised and noticed. A pre-conference is held to clarify and answer questions. If needed, addendums are issued. Proposals are date-stamped when received. The evaluation of the proposals received by the bid closing date and time is done by a committee and the findings are given to the Chief Procurement Officer.

Sourcewell and Fleets for the Future (F4F) have created a partnership to coordinate the increased procurement of alternative fuel vehicles (AFV) throughout the United States. F4F is a national partnership of regional councils, Clean Air coalitions, and industry experts. Their purpose is to coordinate five regional and one national procurement initiatives to consolidate bulk orders of AFV. This helps to disseminate best practices, usage, and procurement strategies for vehicle selection and assists with vehicle cost reduction.

The price for the backhoe is \$151,958.17 under the Sourcewell Cooperative Purchasing program and is based on competitive bidding conducted by Sourcewell, with a bid awarded to CASE Construction (Sourcewell Contract #032119-CNH) and purchased through their approved vendor Sonsray Machinery.

CASE Construction is a trusted heavy-duty equipment manufacturer and is highly reviewed. The new backhoe will be a diesel vehicle, using renewable diesel fuel and continuing the City's efforts to achieve climate action goals.

## **PUBLIC OUTREACH**

This agenda item appeared on the City's tentative agenda document on September 18, 2023, which was a publicly-noticed meeting.

## **COUNCIL GOAL ALIGNMENT**

This proposed action supports the FY 21 through FY 23 City Council Goals and Priorities and the following Workplan items:

- #42 “Find ways for City Operations to reduce greenhouse gas emissions, conserve water, decrease waste, and minimize the use of fossil fuels and investigate and pursue options for carbon sequestration.”
- #203 “Impose a moratorium on City purchases of fossil fuel-powered vehicles, power equipment, and appliances, with limited exceptions for emergency vehicles and equipment when no low climate pollution causing alternatives are reasonably available.”

## **CLIMATE ACTION/SUSTAINABILITY EFFORTS**

Research into electric and alternative energy backhoes was conducted by online research, researching peer-reviewed articles, and contacting heavy-duty equipment providers. There are currently no electric motors or equipment available for a truck of this type. However, to meet climate action goals, a renewable diesel engine was selected as the motor for the vehicle.

Finally, this action supports California law SB 32 which requires a 40% reduction in GHG emissions below 1990 levels by 2030. As such this project aligns with the climate action and sustainability efforts the City has been making to become carbon neutral. The backhoe will utilize renewable diesel, which has a negligible operational greenhouse gas impact.

## **ENVIRONMENTAL REVIEW**

The proposed action is exempt under the common-sense exemption, CEQA Guidelines Section 15061(b)(3) as replacing a backhoe with one with a renewable diesel engine will reduce emissions from an equivalent internal combustion vehicle and CEQA Guidelines Section 15301 (Existing Facilities).

## **FINANCIAL IMPACTS**

The purchase of the backhoe is included in the approved FY 23/24 budget using the Vehicle and Equipment Replacement Fund. The approved budget is \$150,000, which is just under the \$152,000 purchase price of the backhoe. Staff recommend increasing the budget by \$2,000 and purchasing the backhoe for a total budget of \$152,000. A budget adjustment will come forward in conjunction with first-quarter budget adjustments.

The costs of the Caterpillar Backhoe quoted by Sonsray Machinery are below (including taxes and fees):

Type:	Diesel Engine Backhoe
Vehicle Chassis:	<b>CASE 580SV TC CP 4WD</b>
Module/Options/Chassis w/ Sourcewell Discount:	\$ 131,977.18
Freight and PDI:	\$ 4,126.00
Field Training:	\$ 2,927.00
Taxes:	\$ 12,927.99
<b>Total Advertised Price:</b>	<b>\$ 151,958.17</b>

### **ALTERNATIVES**

Alternatives considered but not recommended include:

1. Purchase or lease of internal combustion equivalent for this class of vehicle. This option is not recommended as it fails to meet the City Council's goals regarding reducing fossil fuel use in the City fleet and does not positively contribute to the City's 2030 carbon neutrality goal established in the Climate Emergency Framework.
2. Do not replace the vehicles and continue to not meet operational duties and responsibilities.

### **ATTACHMENTS**

1. Resolution
2. Quote from Sonsray Machinery