



**Council Meeting: September 28, 2010**

**SUBJECT: Award of Contract for Two Front End Loader/Backhoes  
(F1008-12)**

**BACKGROUND**

Council approval is requested to award a contract to Pape Machinery, Inc. of Newark in an amount not-to-exceed \$132,938 for the purchase of two front end loader/backhoes.

**DISCUSSION**

The requested equipment will be used by the Department of Public Works' Sanitary Sewer and Water Divisions for utility service maintenance and repairs. The equipment will replace two existing City owned backhoes, which are eleven years old and are at the end of their useful life. This equipment replacement is included in the FY 2010/2011 Adopted Budget.

Bid specifications were prepared by the Fleet Services Division. Purchasing staff issued Invitation for Bids No. F1008-12, which was broadcast to potential suppliers through the City's Onvia DemandStar public procurement network.

Sealed bids were received and publicly opened on September 8, 2010. Three responsive bids were received.

<b><u>Bidder</u></b>	<b><u>Total Bid</u></b>
Pape Machinery Inc. of Newark, CA	\$132,938*
Sequoia Equipment Company of Fresno, CA	\$135,549
Peterson Tractor Company of San Leandro, CA	\$150,214

\*As part of the bid specifications pricing was requested for the trade-in value of the two existing City owned units. Pape offered \$16,000 for both if in working condition at the time of delivery of the new units. City staff will research the resale value of the units to determine if this is a fair price for the units or if the units should be auctioned. If the trade-in is acceptable the total bid price will be reduced by \$16,000.

Staff has determined that the loader/backhoes offered by Pape Machinery meets City specifications and recommends that the contract be awarded to that firm as the lowest responsive and responsible bidder.

**FISCAL IMPACT**

Total cost to the City will be \$132,938, including sales tax and delivery to the Corporation Yard. Budgeted funds are available in Fleet Equipment Replacement Account 020700.

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

**RECOMMENDATION**

It is recommended that Council award a contract for two loader/backhoes, in substantially the same form as the attached draft Purchase Orders in the amount of \$132,938, to Pape Machinery Inc.

Reviewed by:

Grace K. Leung, Acting Director of Finance  
Prepared by: Pete Gonda, Purchasing Officer

Reviewed by:

Marvin Rose, Director of Public Works

Reviewed by:

Robert Walker  
Assistant City Manager

Approved by:

Gary M. Luebbbers  
City Manager

**Attachments**

- A. Draft Purchase Orders
- B. Pape Machinery Inc. Bid Detail



<b>ORDERED FROM</b> 17362 - 001  Pape Machinery 38600 Cedar Blvd Newark CA 94560  (510) 790-3600	<b>ORDER DATE</b> 09/10/2010	<b>BILL TO:</b>  City of Sunnyvale Finance Department Accounts Payable PO Box 3707 Sunnyvale, CA 94088-3707
	<b>DELIVERY DATE</b> 11/30/2010	
	<b>PAYMENT TERMS</b> N/30	
	<b>BID NO/RFQ NO</b>	
<b>DELIVER TO</b>  General Services/Fleet Maintenance  221 Commercial St Sunnyvale CA 94085 Phone: (408) 730-7570	<b>FOB POINT</b> DEST	<b>FREIGHT CHARGES</b> Destination, freight included in price
	<b>REQ. NO</b> RQ006806	<b>REQUISITIONER:</b> TVARGAS
	<b>CHARGE/OBJ CODE(S):</b> See Description	

ITEM	DESCRIPTION	QTY	UNIT	UNIT COST	TOTAL
1	Provide front end loader/backhoe as per Invitation For Bids F1008-12 specifications, terms and conditions and bidders response, which are incorporated herein by this reference.  John Deer 310J Construction Backhoe Without Cab	1.00	EA	\$57,810.0000	\$57,810.00
2	Tire Fee.	7.00	DLR	\$1.0000	\$7.00



ITEM	DESCRIPTION	QTY	UNIT	UNIT COST	TOTAL
3	Sales Tax.  Credit of \$8,000 will be applied for trade-in of City owned unit #554, VIN 31016615, if in working condition at time of delivery of new vehicle.  Awarded by City Council 9/28/2010, RTC#_____.	5347.73	DLR	\$1.0000	\$5,347.73

<b>TOTAL</b>					<b>\$63,164.73</b>
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CHARGE/OBJ CODE(S)	
020700 5135	\$57,810.00
763510	\$5,354.73

Document Terms:

Invoices must be sent directly to Accounts Payable at the address above and must reference the purchase order number. Failure to comply will result in a delay in payment processing.

<b>BUYER:</b>
Howard, Dreama
PHONE (408) 730-7396      FAX (408) 730-7710



<b>ORDERED FROM</b> 17362 - 001  Pape Machinery 38600 Cedar Blvd Newark CA 94560  (510) 790-3600	<b>ORDER DATE</b> 09/10/2010	<b>BILL TO:</b>  City of Sunnyvale Finance Department Accounts Payable PO Box 3707 Sunnyvale, CA 94088-3707
	<b>DELIVERY DATE</b> 11/30/2010	
	<b>PAYMENT TERMS</b> N/30	
	<b>BID NO/RFQ NO</b>	
<b>DELIVER TO</b> General Services/Fleet Maintenance  221 Commercial St Sunnyvale CA 94085 Phone: (408) 730-7570	<b>FOB POINT</b> DEST	<b>FREIGHT CHARGES</b> Destination, freight included in price
	<b>REQ. NO</b> RQ007081	<b>REQUISITIONER:</b> NDIETZ
	<b>CHARGE/OBJ CODE(S):</b> See Description	

ITEM	DESCRIPTION	QTY	UNIT	UNIT COST	TOTAL
1	Provide front end loader/backhoe as per Invitation For Bids F1008-12 specifications, terms and conditions and bidders response, which are incorporated herein by this reference.  John Deer 310J Construction Backhoe With Cab	1.00	EA	\$63,860.0000	\$63,860.00
2	Tire Fee.	7.00	DLR	\$1.0000	\$7.00



ITEM	DESCRIPTION	QTY	UNIT	UNIT COST	TOTAL
3	Sales Tax.  Credit of \$8,000 will be applied for trade-in of City owned unit #554, VIN 31016616, if in working condition at time of delivery of new vehicle.  Awarded by City Council 9/28/2010, RTC# _____.	5907.05	DLR	\$1.0000	\$5,907.05

<b>TOTAL</b>	<b>\$69,774.05</b>
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CHARGE/OBJ CODE(S)	
020700 5135	\$63,860.00
763510	\$5,914.05

<b>BUYER:</b>
Howard, Dreama
PHONE (408) 730-7396      FAX (408) 730-7710

**BID FORM (TO BE RETURNED)**  
**FOR**  
**TWO CONSTRUCTION BACKHOES**Honorable City Council  
City of Sunnyvale  
Sunnyvale, California

The undersigned bidder hereby offers to sell and deliver two construction backhoes as required, to the City of Sunnyvale in strict compliance with the specifications, terms and conditions stated herein.

Bid Item No.	Description	Qty	Unit	Price Per Unit	Total Delivered Price
1.	Construction Backhoe/without cab	1	EA	\$ <u>57,810</u>	\$ <u>57,810</u>
	Make and Model offered: <u>JOHN DEERE 310J</u>				
2.	Construction Backhoe with cab	1	EA	\$ <u>63,860</u>	\$ <u>63,860</u>
	Make and Model offered: <u>JOHN DEERE 310J</u>				
				Sales Tax (9.25%)	\$ <u>11,254.47</u>
				CA TIRE TAX	<u>14.02</u>
				COST WITHOUT TRADE IN ALLOWANCE	\$ <u>132,938.47</u>
3.	Trade In				
	Ford backhoe, City ID #554, 1999 VIN 31016615				(\$ <u>8,000</u> )
	Ford backhoe, City ID #598, 1999 VIN 31016616				(\$ <u>8,000</u> )
				COST WITH TRADE IN ALLOWANCE	\$ <u>116,938.47</u>

**Additional Information Required of Bidder**

- Delivery 45-60 calendar days after receipt of order.
- Equipment offered manufactured at 18600 S. JOHN DEERE RD., DUBUQUE, IA UNITED STATES
- Method of delivery TRUCK
- The unit price bid shall be guaranteed for a period of 30 calendar days after the bid opening.
- Prompt Payment Terms Offered NET 30 DAYS
- If bidder is awarded contract, bidder will extend pricing to other government agencies?  yes  no