

**Council Meeting: December 18, 2012****SUBJECT: Award of Contract for a Cold Milling Machine for Street Patching and Other Repairs (F13-24)****BACKGROUND**

Approval is requested to award a contract to RGW Equipment of Livermore in the total amount of \$136,359 for one Cold Milling Machine for use by the Department of Public Works.

DISCUSSION

The Department of Public Works Operations Division utilizes a Cold Milling Machine to prepare street surfaces prior to patching and other repairs. The current unit has been in service for the past 11 years and is at the end of its useful life.

Cost-effective operation of the City's fleet requires that vehicles and equipment be replaced before operating costs become excessive. The City's current cold milling machine is considered safe, but its age, hours of operation, and breakdown record make its replacement appropriate at this time.

Bid specifications were prepared by the Fleet Services Division. Purchasing staff issued Invitation for Bids No. F13-24, which was broadcast to potential suppliers through the City's Onvia DemandStar public procurement network.

Sealed bids were received and publicly opened on November 21, 2012. Two bids were received as follows:

<u>Bidder</u>	<u>Total Bid</u>
RGW Equipment of Livermore, CA	\$162,731
Nixon Egli Equipment Co. of Tracy, CA	\$178,989

Staff has determined that the equipment offered by RGW Equipment meets City specifications and recommends that the contract be awarded to that firm as the lowest responsive and responsible bidder. The bid specifications provided for a trade-in option. Staff has determined that the trade-in offered by RGW Equipment of \$40,000 is comparable to the current resale market for similar used units.

FISCAL IMPACT

The purchase price of the new unit is \$162,731. With sales tax in the amount of \$13,629 included, the total cost of the unit is \$176,360. This amount will be reduced by \$40,000 for the trade-in value of the City's current unit. The net purchase price is \$136,360. 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 in the amount of \$136,360, in substantially the same form as the attached draft purchase order, to RGW Equipment for one cold milling machine.

Reviewed by:

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

Reviewed by:

Kent Steffens, Director of Public Works

Approved by:

Gary M. Luebbbers
City Manager

Attachments

A. Draft Purchase Order and Bid Pricing



Document Terms:

Invoices must be sent directly to Accounts Payable by mail to the address above or by e-mail to accountspayable@sunnyvale.ca.gov and must reference the purchase order number. Failure to comply will result in a delay in payment processing.

This purchase order is subject to the City of Sunnyvale Standard Terms and Conditions for the Purchase of Goods, dated 10/8/2010, a copy of which is attached and incorporated by reference (Form #TCPO-G).

BUYER:

Cornejo, Perry

PHONE (408) 730-7572

FAX (408) 730-7710

BID FORM (TO BE COMPLETED AND RETURNED)
FOR ONE (1) COLD MILLING MACHINE

The undersigned bidder hereby offers to supply one (1) new production model, or a used Cold Milling Machine meeting all specifications with fewer than 100 hours of operation, complete as specified, and all delivery costs to the City of Sunnyvale in strict compliance with the specifications, terms and conditions stated herein. Bidder may bid on one or both options, but contract award will be based solely on the lowest responsive and responsible bid.

Bid Item No.	Description	Qty	Total Delivered Price
1.	Option 1 NEW or USED under 100 hours 20" MILLING MACHINE 4-WHEEL Make and Model offered: <u>2012 BOMAG BM500/15 (40 Hours)</u> <u>SN - 101882001030</u>	1 EA	\$ <u>162,731.00</u>
2.	Option 2 NEW or USED under 100 hours 24" MILLING MACHINE 4-WHEEL Make and Model offered: _____	1 EA	\$ _____
	Sales Tax (8.375 %)		\$ <u>13,628.72</u>
	Total Cost		\$ <u>176,359.72</u>
	Trade In (City's Option): Trade-in offer for City owned Wirtgen W500, 2001 year model, 2,100 hrs.		\$ <u>40,000.00</u>

Additional Information Required of Bidder

- Delivery 3 calendar days after receipt of order.
- Method of delivery RGW TRUCK
- The unit price bid shall be guaranteed for a period of 30 Calendar days after the bid opening.
- Prompt Payment Terms Offered _____
- If bidder is awarded contract, bidder will extend pricing to other government agencies? ___yes Xno
If yes, enter number of calendar days bid pricing will be extended to other agencies _____
- Business Organization (Check One):
 Individual Proprietorship
 Partnership
 Corporation
 Other _____