



CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of City Council
FROM: Daniel Gho, Public Works Director
MEETING DATE: December 6, 2017
SUBJECT: Purchase of Wheel Loader for the Public Works Department
CEQA: This action is exempt from CEQA under Class 1, "Existing Structures", section 15301 of the CEQA Guidelines, set forth in California Administrative Code, Title 14, Section 15000, et seq.

RECOMMENDATION

Authorize the City Manager to enter into a Purchase Agreement with Quinn Company for the purchase of a used Wheel Loader for the Public Works Department.

DISCUSSION

As part of the fiscal year 2017-2018 capital improvement process the City Council approved a budget of \$120,000 for the purchase of a wheel loader. The City's existing wheel loader was manufactured in 1967 and has exceeded its expected life. It needs to be replaced due to the prohibitive cost of maintenance, lack of available parts, safety reasons and regulatory compliance. It is proposed to remove the existing wheel loader from service and offer it to the highest qualified bidder.

The wheel loader is used for moving large trees and debris piles off road ways, especially during storms. It is also used for maintaining turn-outs along Ocean View Boulevard and moving large construction materials at the Public Works Yard. There is no other equipment in the City's fleet which can perform these functions and no modifications to our processes which could alleviate the need for a wheel loader.

For the last 6 months, Public Works has been in contact with vendors to find a wheel loader that would meet our needs with regards to functionality and cost. We had nearly exhausted our resources when one was identified at a local dealer. The wheel loader that the City would like to purchase is a 2013 Caterpillar with 5,792 hours on the unit. New loaders of the same size and make range between \$250,000-\$300,000, depending on options.

FISCAL IMPACT

Funding for this purchase is appropriated at \$120,000 under 01-General Fund. The cost of the used wheel loader is \$130,500. This leaves a \$10,500 short fall. Public Works believes the difference can be split between available funding within the Street, Buildings and Grounds, Forestry and Sewer divisions of the Public Works Department. The money saved in maintenance costs in the current Fiscal Year 2017/18 and from the sale of the old loader will further offset the difference between the amount budgeted and the equipment price.

GOAL ALIGNMENT

The proposed action is aligned with the City Council’s Fiscal Sustainability, Infrastructure and Operational Excellence goals.

OPTIONS

1. Provide alternate direction.
2. Take no action.

RESPECTFULLY SUBMITTED:

REVIEWED BY:



Daniel Gho
Public Works Director

Ben Harvey
City Manager