

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: September 12, 2024

PREPARED BY: David Reyes Jr., Street Maintenance Supervisor

SUBJECT: APPROVE THE PURCHASE OF ONE 580 SN BACKHOE FROM
SONSRAY MACHINERY

RECOMMENDATION:

1. Approve the purchase of a 580 SN BACKHOE from Sonsray Machinery in the amount of \$154,264.73, plus \$5,000 in contingency for unforeseen costs.
2. Authorize the City Manager to execute all documents necessary to effectuate this action.

BACKGROUND/ANALYSIS:

The City's current backhoe is more than 20 years old, with 2,600 hours of use and \$29,000 in repairs over the last two years. It is expected to last approximately 20 years or 6,000 hours, but due to its age, it will require more frequent repairs. Consequently, during the Fiscal Year 2024-25 budget preparation, staff included the purchase of a 580 SN Backhoe. The backhoe will be used to remove broken concrete panels, debris and fallen trees in the City's right-of-way during emergency situations.

Staff requested a quote from Sonsray Machinery, a member of the Sourcewell Program. Sourcewell is a state program that allows public agencies to acquire a wide variety of commodities and services at prices that have been assessed to be fair, reasonable, and competitive. Sonsray Machinery provided a quote for a new 580 SN Backhoe in the amount of \$154,264.73, which includes a 28 percent discount. The new backhoe is expected to have a lifespan of 20 to 25 years, with up to 6,000 hours operational hours depending on usage. Additionally, the new unit is covered by a factory warranty of 2 years or 2000 hours and an additional extended protection plan of 3 years or 3000 hours.

Therefore, staff requests approval of the purchase under Palm Desert Municipal Code 3.30.160(E), exemptions to procurement methods.

Legal Review:

This report has been reviewed by the City Attorney's office.

FINANCIAL IMPACT:

Funds in the amount of \$150,000 for the purchase of the backhoe are included in the approved Capital Improvement Project (CIP) List for FY 2024-25 under the vehicle/equipment replacement Account No. 5304310-4403000. The total cost of the backhoe is \$154,264.73, plus \$5,000 for unforeseen costs related to long lead times. Staff expects to offset the additional \$9,264.73 with savings from other equipment purchases; therefore, no appropriation is requested at this time. There is no further financial impact to the General Fund related to this action.

ATTACHMENT:

1. Sonsray Machinery Quote