



TO: Board of Contracts and Awards
FROM: Kurtis D. Kingsolver, P.E., Public Works Director/City Engineer */KDK*
 Justin E. Davis, Facilities Division Manager
 Deanna Pollard, Fleet Contract and Parts Manager
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and
 Richelle Krienke, Finance/Purchasing
SUBJECT: Increase for John Deere Construction Equipment Parts and Repair Services
 Request for Bids, Specification No. GF12-0501N, Contract No. 4600008374 –
 September 29, 2015
DATE: September 21, 2015

SUMMARY:

The Public Works Department recommends approval to increase SAP contract number 4600008374 with Pape’ Machinery, Inc., Fife, WA, by \$200,000, plus applicable sales tax, for occasional warranty and non-warranty services, repairs, and parts for the City’s John Deere equipment on an as-needed basis. This contract was initially established in December 2012 for an initial 3-year term with the option to extend two additional 1-year periods for a total of 5 years. This request will bring the contract to a cumulative amount of \$400,000, plus applicable sales tax and extend the end date to November 30, 2017.

STRATEGIC POLICY PRIORITY:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

This contract is necessary to furnish occasional warranty and non-warranty service, repairs, and parts on John Deere equipment on an as-needed basis.

BACKGROUND:

The increase will provide for the continued warranty and non-warranty factory authorized services, repairs, and parts for the City’s John Deere equipment on an as-needed basis through November 30, 2017, the final contract end date.

ISSUE: If the contract is not extended, the Public Works Department will be required to obtain three written quotes each time a piece of equipment is in need of repair resulting in service delays.

ALTERNATIVES: Obtain written quotes each time a piece of equipment is in need of repair resulting in delay of the equipment being returned to service.

COMPETITIVE SOLICITATION: This contract was originally awarded to Pape’ Machinery Inc., as a result of Request for Bids Specification No. GF12-0501N in December 2012. The initial contract was for a 3-year period and contemplated two additional 1-year extensions for a total of 5 years. The contractor has agreed to extend the contract at the same prices, terms and conditions as the original contract.

CONTRACT HISTORY: A contract for the initial 3-year term was awarded in the amount of \$200,000 in December 2012. This increase will bring the cumulative total to \$400,000, plus applicable sales tax, for the full 5-year contract term ending November 30, 2017.

SUSTAINABILITY: The Pape’ Group takes their commitment to environmental and sustainability leadership very seriously. To specifically reduce the use of fossil fuels Pape’ has changed the roofing to



be white (reduces energy consumption for air conditioning), changed T-12 fluorescent tubes to more efficient T-8, and Tier 4 engines are used by the manufacturer to reduce pollutants and fuel usage. Additionally, Pape’s trained maintenance personnel properly handle, remove and dispose of vehicle fluids and parts in accordance with nationally recognized best management practices.

SBE/LEAP COMPLIANCE: Not applicable.

RECOMMENDATION:

The Public Works Department recommends approval to increase SAP contract number 4600008374 with Pape’ Machinery, Inc., Fife, WA, by \$200,000, plus applicable sales tax, for occasional warranty and non-warranty services, repairs, and parts for the City’s John Deere equipment on an as-needed basis. This contract was initially established in December 2012 for an initial 3-year term with the option to extend two additional 1-year periods for a total of 5 years. This request will bring the contract to a cumulative amount of \$400,000, plus applicable sales tax and extend the end date to November 30, 2017.

FISCAL IMPACT:

The fiscal impact is \$200,000, plus applicable sales tax. The expenditures and revenues are in various General Government funds managed within the Environmental Services and Public Works departments.

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various			\$400,000.00
TOTAL			\$400,000.00

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various			\$400,000.00
TOTAL			\$400,000.00

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$125,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.

Expenses are budgeted and covered.