
**CITY OF TEMPE
REQUEST FOR COUNCIL ACTION****Council Meeting Date: 06/09/2016
Agenda Item: 5B3**

ACTION: Approve the utilization of one-year State of Arizona contracts with Borders Turf and Tractor, Bingham Equipment Company, John Deere Company, Simpson Norton Corporation, and A to Z Equipment for the purchase of grounds keeping, golf and sports field maintenance equipment used by the Public Works Department.

FISCAL IMPACT: Total combined cost of these contracts will not exceed \$150,000. Sufficient funds have been appropriated in the General Fund in various cost centers for the budgeted expenditures in fiscal year 2016/2017.

RECOMMENDATION: Approve the utilization of the contracts.

BACKGROUND INFORMATION: (ADSP013-035800 State of Arizona) The State of Arizona solicited bids and awarded contracts to Borders Turf and Tractor, Bingham Equipment Company, John Deere Company, Simpson Norton Corporation, and A to Z Equipment for the purchase of turf and construction equipment that contain cooperative language allowing their use by other governmental agencies.

The State of Arizona utilized a competitive bid process that established pricing based on purchase volumes anticipated for the State and other utilizing governmental agencies. The quantity of equipment purchased under the State contract far exceeds the number of vehicles that would be purchased individually by any utilizing entity thereby leveraging cost savings for the City.

Vehicle Replacement Strategy

In keeping with municipal fleet industry best practices, the City's vehicle replacement strategy is centered on asset protection and lifecycle cost analysis for each category of vehicle and equipment. This lifecycle analysis involves capital costs, depreciation costs, operating and maintenance costs and residual value at auction. Fleet Services determines the lowest annualized cost of equipment by category to establish replacement guidelines that provide the lowest overall cost of the City's fleet. Replaced equipment will be sold at auction to recover residual value.

ATTACHMENTS: None

STAFF CONTACT(S): Tony Miano, Deputy Public Works Director – Field Operations, (480) 350-8051

Department Director: Renie Broderick, Internal Services Director

Legal review by: David Park, Assistant City Attorney

Prepared by: Tony Allen, CPPB, Procurement Officer