Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.

CITY OF OXNARD CALIFORNIA

AGENDA
OXNARD CITY COUNCIL
PUBLIC WORKS AND TRANSPORTATION COMMITTEE
Council Chambers, 305 West Third Street
February 25, 2020
**Regular Meeting - 11:00 AM to 12:15 PM**

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

At this time, the legislative body will consider public comments for a maximum of fifteen minutes. A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker cards will not be accepted after the beginning of the general public comment period. Based on the number of speaker cards submitted, the presiding officer may impose time limits per speaker. Typically, speakers are limited to two minutes, but shorter time may be established as deemed necessary. A person not able to address the legislative body at this time because the fifteen minutes expires may do so just prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager for administrative action or scheduled on a subsequent agenda for discussion.

C. CONSENT AGENDA

1. City Clerk Department

SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Public Works and Transportation Committee approve the minutes of the February 11, 2020 regular meeting as presented.

Contact: Michelle Ascencion, (805) 385-7805

D. REPORTS

1. Public Works Department

SUBJECT: Purchase of New Heavy Equipment for the Del Norte Regional Recycling and Transfer Station. (5/5/5)

RECOMMENDATION: That the Public Works and Transportation Committee recommend City Council approve and authorize the Mayor to:
1. Execute a Purchase Order (PO) with Quinn Company (Caterpillar) in the amount of

$1,207,903.39 for the supply of heavy equipment for the Del Norte Regional Recycling and Transfer Station (Del Norte); and
2. Approve the appropriation of funds in the amount of $1,207,904 from Environmental Resources operating fund balance (631) for the purchase of the heavy equipment.

Contact: Rosemarie Gaglione, (805) 385-8055

2. Public Works Department

SUBJECT: Update of Wastewater Division Capital Improvement Projects. (15/5/5)

RECOMMENDATION: That the Public Works and Transportation Committee receive a presentation on the Wastewater System Capital Improvement Program.

Contact: Rosemarie Gaglione, (805) 385-8055

3. Public Works Department

SUBJECT: Amending Enterprise Fleet Management Agreement and Restructuring of Fleet Services Division. (15/5/5)

RECOMMENDATION: That the Public Works and Transportation Committee recommend that the City Council:
1. Approve and authorize the Mayor to execute a first amendment to Agreement A-8136 with Enterprise Fleet Management, Inc. (Enterprise) that increases the current agreement value by $3,425,000 (from $675,000 to $4,100,000) and extends the term by three and a half years through December 1, 2025;
2. Authorize Public Works Fleet Services Division to enroll approximately 375 city-owned vehicles into Enterprise's Maintenance Management Program and all new leased or City owned vehicles that qualify for the program;
3. Eliminate three (3) staff positions from Fleet Services Division; and
4. Authorize all City departments to utilize current vehicle replacement funds for leasing or future leasing.

Contact: Rosemarie Gaglione, (805) 385-8055

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

M I N U T E S
OXNARD CITY COUNCIL
PUBLIC WORKS AND TRANSPORTATION COMMITTEE
Regular Meeting
February 11, 2020

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 11:00 a.m., Chair Perello called to order the regular meeting of the Oxnard City Council Public Works and Transportation Committee in the City Hall Council Chambers at 305 W. Third Street, Oxnard, California. The City Clerk called the roll and announced the posting of the agenda. Members Tim Flynn, Bryan A. MacDonald, and Chair Bert E. Perello were present.

Staff members present were Alexander Nguyen, City Manager; Tara Mazzanti, Assistant City Attorney; Thien Ng, Assistant Public Works Director; Megan Schneider, Water Conservation Outreach Coordinator; and Michelle Ascencion, City Clerk.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

The Assistant Public Works Director answered a question from the previous meeting about recycled water consumption over the last few years.

C. CONSENT AGENDA

City Clerk Department

1. SUBJECT: Approval of Minutes.
   RECOMMENDATION: That the Public Works and Transportation Committee approve the minutes of the January 28, 2020 regular meeting as presented.

*It was moved by Member Flynn, seconded by Member MacDonald,* to approve the minutes as presented. VOTE: Flynn, MacDonald, and Perello voted in favor; the motion carried 3-0.

D. REPORTS

Public Works Department

1. SUBJECT: Award Professional Services Agreement A-8859 with Water Systems Consulting, Inc. for Water Regulatory Compliance and Technical Assistance Services.
   RECOMMENDATION: That the Public Works and Transportation Committee recommend that the City Council approve and authorize the City Manager to execute Professional Services Agreement A-8859 with Water Systems Consulting, Inc. (WSC) for a four-year term, in an amount not to exceed $175,000, for water regulatory compliance and technical assistance services.

The Water Conservation Outreach Coordinator gave a report. Discussion ensued among the Committee and staff.

DRAFT

*It was moved by Member MacDonald, seconded by Member Flynn,* to approve the recommended action as presented. VOTE: Flynn, MacDonald, and Perello voted in favor; the motion carried 3-0.

E. ITEMS FOR FUTURE AGENDAS (No requests were made.)

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Perello adjourned the meeting at 11:20 a.m.

| | |
|---|---|
| MICHELLE ASCENCION, CMC<br>City Clerk | BERT E. PERELLO<br>Chair |

DRAFT

CITY OF OXNARD CALIFORNIA

**PUBLIC WORKS AND TRANSPORTATION COMMITTEE AGENDA REPORT**

**REPORTS**
**AGENDA ITEM NO. D.1**

**DATE:** February 25, 2020

**TO:** Public Works and Transportation Committee

**FROM:** Rosemarie Gaglione, Public Works Director, (805) 385-8055, rosemarie.gaglione@oxnard.org

**SUBJECT:** Purchase of New Heavy Equipment for the Del Norte Regional Recycling and Transfer Station. (5/5/5)

## RECOMMENDATION

That the Public Works and Transportation Committee recommend City Council approve and authorize the Mayor to:
1. Execute a Purchase Order (PO) with Quinn Company (Caterpillar) in the amount of $1,207,903.39 for the supply of heavy equipment for the Del Norte Regional Recycling and Transfer Station (Del Norte); and
2. Approve the appropriation of funds in the amount of $1,207,904 from Environmental Resources operating fund balance (631) for the purchase of the heavy equipment.

## BACKGROUND

The Environmental Resources (ER) Division is responsible for the operation of the Del Norte Regional Recycling and Transfer Station (Del Norte) which is a regional, material recovery facility (MRF). The Del Norte MRF receives and processes residential, commercial and industrial solid waste, recyclables and organic/greenwaste within the City of Oxnard collection boundaries as well as material from the East Ventura County region. This includes Port Hueneme, Camarillo, Santa Paula, Ventura and other unincorporated East Ventura County zones. The Del Norte facility is permitted to accept 2,779 total tons per day of solid waste, recyclables and organic/greenwaste material. Currently, the Del Norte facility receives, processes and transfers an average of 1,100 tons per day of all materials.

Daily operation of the Del Norte MRF, within regulatory guidelines, relies heavily upon the use of essential heavy equipment, of which includes: articulated wheel loaders, skid steers, and forklifts.

## DISCUSSION

The existing heavy equipment units (wheel loaders, skid steers, and forklifts) at Del Norte have approached the end of their useful life. In addition, some of the aging equipment units no longer meet California Air Resource Board (CARB) emission standards. The ER Division needs to address the situation to ensure uninterrupted services while staying within permit and safety guidelines.

The City, under the current Purchasing Policy, participates in the cooperative procurement program "Sourcewell." Under this program, the City is a Sourcewell Member and is able to benefit from the global

solicitation of heavy equipment under Caterpillar manufacturer contracts #032119-CAT and #101816-MCF. Caterpillar is a global corporation that assigns authorized resellers by territory. The City of Oxnard falls within the Ventura County territory, which is assigned to Quinn Caterpillar, located at 801 Del Norte Boulevard in Oxnard.

Caterpillar provides an extensive line of construction and heavy equipment. Caterpillar also offers specialized protective and safety equipment required in the solid waste industry. The ER Division seeks to purchase the following Caterpillar heavy equipment units through the Sourcewell pricing available to the City of Oxnard as a participant in the program:

| Heavy Equipment | Quantity | Manufacturer | Total Cost |
|---|---|---|---|
| Full size articulated wheel loaders | 2 | Caterpillar, Inc. | $795,623.78 |
| Compact articulated wheel loader | 1 | Caterpillar, Inc. | $151,561.45 |
| Skid Steers | 2 | Caterpillar, Inc. | $154,408.16 |
| Fork Lift with Rotator Attachment | 1 | Caterpillar, Inc. | $56,957.00 |
| Fork Lift with Standard Fork Attachment | 1 | Caterpillar, Inc. | $49,353.00 |
| Total | 7 | | $1,207,903.39 |

**STRATEGIC PRIORITIES**

This agenda item is a routine operational item or does not relate to the four strategic plans adopted by City Council on May 17, 2016.

**FINANCIAL IMPACT**

The total cost for this equipment purchase is $1,207,903.39. Increased appropriations of $1,207,904 will be required from the Environmental Resources operating fund balance (631) to the Environmental Resources operating budget for the purchase of the heavy equipment. After this appropriation, the projected available fund balance will be $24.2 million.

*Prepared by: Juanita Guzman, Administrative Services Manager*

**ATTACHMENTS**

1. Budget Appropriation
2. Quinn - Cat Model 262D3 Skid Steer Quote
3. Quinn - Cat Model 950M-BR Wheel Loader Quote
4. Quinn - Model 914M Wheel Loader Quote
5. Quinn Lift - GP40N1 Pneumatic Tire Lift Quotes
6. Sourcewell Mitsubishi-CAT Forklift Contract #101816-MCF
7. Sourcewell Caterpillar Wheel Loader_Skid Steer Contract #032119-CAT
8. Quinn Co. Caterpillar Authorized Reseller Letter
9. 2020-02-25_Quinn_FINAL

# REQUEST FOR BUDGET APPROPRIATION

**Department:** Public Works **Date:** March 17, 2020
**Project/Program** Environmental Resources
**Manager:** Todd Vasquez-Housley **Phone:** 805-385-7957

**Reason for Appropriation:**

To fund the acquisition of heavy equipment for operations at the Del Norte Regional Recycling and Transfer Station.

| **Accounts and Descriptions** | | **AMOUNT** |
|---|---|---|
| **Fund: ENVIRONMENTAL RESOURCES OPERATING FUND (631)** | | |
| **Expenditures/Transfers Out** | | |
| **Solid Waste Operating/Environmental Resources** | | |
| 631-6312-891-86-06 | CAPITAL OUTLAY - MACHINERY & NEW EQUIPMENT | 1,207,904 |
| | Sub-total Expenditures | 1,207,904 |
| | **Net Change to Fund Balance** | **(1,207,904)** |
| | **Net Appropriation Change** | **(1,207,904)** |

**Approvals**

Department Director _____

Chief Financial Officer _____

City Manager _____

BA# (Finance Use Only)_____
BA Doc# (Finance Use Only)_____


REQUIRES CITY COUNCIL AUTHORIZATION

Quote 135079-01

October 31, 2019

CITY OF OXNARD - DEL NORTE RECYCLING
ATTN JAMES TORREZ
111 S DEL NORTE BLVD
OXNARD
California
93030

Attention: James Torrez

Dear Sir,

We would like to thank you for your interest in our company and our products, and are pleased to quote the following for your consideration.

**CATERPILLAR INC. Model: 262D3 Skid Steer Loader**

We wish to thank you for the opportunity of quoting on your equipment needs. This quotation is valid for 30 days, after which time we reserve the right to re-quote. If there are any questions, please do not hesitate to contact me.

Sincerely,

Barry Tovey
Machine Sales Representative

## CATERPILLAR INC. Model: 262D3 Skid Steer Loader

### STANDARD EQUIPMENT

**POWERTRAIN** - Cat C3.3B diesel engine - -Gross horsepower per SAE J1349 - 74.3 hp (55.4 kW) @ 2400 RPM - - Electric fuel priming pump - -Glow plugs starting aid - -Liquid cooled, direct injection - Air cleaner, dual element, radial seal - S-O-S sampling valve, hydraulic oil - Filter, cartridge type, hydraulic - Filters, canister type, fuel - and water separator - Radiator / hydraulic oil - cooler (side-by-side) - Spring applied, hydraulically released, - parking brakes - Hydrostatic transmission - Four wheel chain drive

**HYDRAULICS** - ISO or H pattern controls: - Electro/hydraulic implement control - Electro/hydraulic hydrostatic - transmission control

**ELECTRICAL** - 12 volt electrical system - 80 ampere alternator - Ignition key start/stop/aux switch - Lights: - -Gauge backlighting - -Two rear tail lights - -Dome light - Backup alarm - Electrical outlet, beacon

**OPERATOR ENVIRONMENT** - Operator warning system indicators: - -Air filter restriction - -Alternator output - - Armrest raised/operator out of seat - -Engine coolant temperature - -Engine oil pressure - -Glow plug activation - - Hydraulic filter restriction - -Hydraulic oil temperature - -Park brake engages - -Engine emission system - Gauges: fuel level and hour meter - Storage compartment with netting - Ergonomic contoured armrest - Control interlock system, when operator - leaves seat or armrest raised: - -Hydraulic system disables - -Hydrostatic transmission disables - -Parking brake engages - ROPS cab, open, tilt up - Anti-theft security system w/6-button - keypad - FOPS, level I - Top and rear windows - Floormat - Interior rear view mirror - USB charging port - Horn - Hand (dial) throttle, electronic

**FRAMES** - Lift linkage, vertical path - Chassis, one piece welded - Machine tie down points (6) - Belly pan cleanout - Support, lift arm - Rear bumper, welded

**OTHER STANDARD EQUIPMENT** - Engine enclosure - lockable - Extended life antifreeze (-37C, -34F) - Work tool coupler - Hydraulic oil level sight gauge - Radiator coolant level sight gauge - Radiator expansion bottle - Cat ToughGuard TM hose - Heavy duty flat faced quick disconnects - with integrated pressure release - Split D-ring to route work tool hoses - along side of left lift arm - Variable speed hydraulic cooling fan - Per SAE J818-2007 and EN 474-3:2006 and - ISO 14397-1:2007

## MACHINE SPECIFICATIONS

| Description | Reference No |
|---|---|
| 262D3 SKID STEER LOADER | 512-4262 |
| LANE 2 - AVAILABLE FROM SANFORD FACTORY | |
| LANE 3 - AVAILABLE FROM SANFORD FACTORY | |
| Meets U.S. EPA Tier 4 Final emission standards | |
| Available for AM-N, Puerto Rico and South Korea | |
| BUCKET-IND. GR, 80", BOCE | 217-6230 |
| TIRES, 33X6X11 CAT FLEX SOLID | 252-0377 |
| ROTATING BEACON | 309-1325 |
| QUICK COUPLER, MANUAL | 345-4910 |
| RADIO, AM/FM, BLUETOOTH | 345-6180 |
| KIT,ENG AIR INTAKE, PRECLEANER | 415-2795 |
| FILM, ENGINE, ANSI, USA | 416-5687 |
| KIT, TURBO DEBRIS GUARD | 416-5705 |
| DISPLAY, ADVANCED, LCD, CAMERA | 416-9265 |
| FILM, RIDE CONTROL, ANSI | 422-3445 |
| FAN,COOLING, DEMAND, REVERSING | 435-9224 |
| FILM, SELF LEVEL, ANSI | 435-9238 |
| LIGHTS, LED | 495-1671 |
| KIT, DEBRIS | 498-6623 |
| INSTRUCTIONS, ANSI, USA | 512-3741 |
| CONTROL, ISO, PROP | 512-4111 |
| POWERTRAIN, ONE SPEED | 512-4176 |
| ROPS, ENCLOSED WITH A/C (C3) | 512-4195 |
| HYDRAULICS, PERFORMANCE, (H2) | 512-4318 |
| ROADING LIGHTS | 532-8843 |
| SEAT,AIR SUSPENSION,VINYL,HEAT | 536-9739 |
| DOOR, CAB, POLYCARBONATE | 539-8061 |
| KIT, A/C BREATHER | 540-9349 |
| SEAT BELT, 3" | 542-6995 |
| RIDE CONTROL | 556-5899 |
| CERTIFICATION ARR, P65 | 563-1163 |
| MOUNTING, FIRE EXTINGUISHER | 563-7518 |
| PRODUCT LINK, CELLULAR PL243 | 566-7115 |
| BATTERY, HEAVY DUTY, 850 CCA | 568-5606 |
| PACK, DOMESTIC TRUCK | 0P-0210 |
| PACKING, KIT | 0P-2162 |
| LANE 3 ORDER | 0P-9003 |
| SERIALIZED TECHNICAL MEDIA KIT | 421-8926 |

| | |
|---|---|
| LIST PRICE | $75,887.49 |
| NJPA SOURCEWELL 21% of LIST | $-15,936.37 |
| NJPA DISCOUNTED PRICE TO CITY OF OXNARD | $59,951.12 |
| FREIGHT | $800 |
| PREP | $1250 |
| DEBRIS PACKAGE INSTALLS | $1850 |
| NVB FIRE SUPPRESSION | $7800 |
| TOTAL | $71,651.12 |
| SALES TAX | $5,552.96 |
| **AFTER TAX BALANCE** | **$77,204.08** |

## WARRANTY

Standard Warranty: 2 Years / 2,000 Hour's Total Machine

## F.O.B/TERMS

Oxnard Earthmoving

## FINANCING

Finance terms and conditions subject to credit approval by Caterpillar Financial Services Inc.(CFSC). Payment amounts, down payments, and terms are estimates only, final amounts must be determined by CFSC.

Accepted by _____ on _____

_____
Signature

Quote 135114-01

October 31, 2019

CITY OF OXNARD - DEL NORTE RECYCLING
ATTN JAMES TORREZ
111 S DEL NORTE BLVD
OXNARD
California
93030

Attention: James Torrez

Dear Sir,

We would like to thank you for your interest in our company and our products, and are pleased to quote the following for your consideration.

**CATERPILLAR INC. Model: 950M-BR Wheel Loader**

We wish to thank you for the opportunity of quoting on your equipment needs. This quotation is valid for 30 days, after which time we reserve the right to re-quote. If there are any questions, please do not hesitate to contact me.

Sincerely,

Barry Tovey
Machine Sales Representative

## CATERPILLAR INC. Model: 950M-BR Wheel Loader

### STANDARD EQUIPMENT

**POWERTRAIN** - Engine, Cat C7.1 ACERT - Torque converter, with lock-up clutch - free wheel stator - Tranmission countershaft, automatic, - powershift (5F/3R) - Pump transmission, split flow - Productive Economy Mode (fuel - consumption optimization) - Brakes, full hydraulic enclosed wet-disc - with Integrated Braking System (IBS) - Brake wear indicators - Fan drive hydraulic, electronically - controlled, temperature sensing, - on demand - Fuel priming pump (electric) - Fuel/Water separator - Engine air intake with strata-tubes - Parking Brake, disk and caliper

**HYDRAULICS** - Load sensing system with variable - displacement piston pump. - Hoses, Caterpillar XT - Couplings, Caterpillar O-ring face seal - Hydraulic oil cooler (swing out) - Oil sampling valves - Remote diagnostic pressure taps - Hydraulic Service Center

**ELECTRICAL** - Batteries (2), maintenance free 1400CCA - Starting and charging system (24V) - Alternator, 115-amp brushed - Alarm, back-up - Ignition key; start/stop switch - Main disconnect switch - Receptacle remote start (cables not - included) - Starter, electric, heavy duty - Emergency shut-off switch - Rear camera - Electrical Service Center

**OPERATOR ENVIRONMENT** - A-Post mounted membrane 16 switch keypad - Climate control - Bucket/Work tool function lockout - EH Parking Brake - Intermittent front wiper control - Horn, electric - Lights, cab dome (2) - Radio ready (entertainment) includes - antenna, speaker and converters (12V 10A) - 3 receptacles, 12V - Beverage holders (2) with storage - compartment for cell phone/MP3 player - Coat hooks (2) - Sliding window - Ergonomic Cab Access - Sun visor, front - Computerized monitoring system - Front dash information display with: - -Speedometer/Tachometer - -Digital gear indicator - -Temperatures: engine coolant, - hydraulic oil, transmission oil - -Fuel level - Warning Indicators: - -Temperatures: axle oil, engine intake - manifold - -Pressures: engine oil, fuel pressure - Hi/Low, primary steering oil, - service brake oil - -Battery voltage Hi/Low - -Engine air filter restriction - -Hydraulic oil filter restriction - -Hydraulic oil level low - -Parking brake - -Transmission filter bypass - Multi-function monitor: - -180mm(7") color LCD touch-screen - display - -Rear-view camera image display - (reverse travel activated) - Machine utilization information: - -Total fuel consumption - -Average fuel burn rate - -Engine fuel consumption - -Total idle time - -Total operating hours - -Travel distance (odometer) - -Total idle fuel - -Total operating hours, neutral - -Total operating hours with hydraulic - filter in bypass

**OTHER STANDARD EQUIPMENT** - Engine idle management system and auto - idle shutdown - Filters: fuel, engine air, engine oil, - hydraulic oil, transmission - Hitch, drawbar - Kickout, lift and tilt, automatic - (adjustable) - Sight gauges: engine coolant, hydraulic - oil, and transmission oil level - Lift and tie down points - Articulation locking bar - Parallel Z-bar lifting

## MACHINE SPECIFICATIONS

| Description | Reference No |
|---|---|
| 950M WHEEL LOADER | 464-2600 |
| LANE 2 - AVAILABLE FROM PIRACICABA FACTORY | |
| LANE 3 - AVAILABLE FROM PIRACICABA FACTORY | |
| WORKTOOL'S LITERATURE | 0P-4108 |
| HOOD, NON-METALLIC | 336-0000 |
| QUICK COUPLER, FUSION | 349-5246 |
| GUARD, TILT CYLINDER | 360-8835 |
| AIR INLET PRECLEANER, TRASH | 365-0121 |
| AXLES, AUTO DIFF F/R, ED, SG | 366-9910 |
| HYDRAULIC OIL, STANDARD | 366-9912 |
| QUICK COUPLER READY, STD LIFT | 373-3900 |
| STARTING, STANDARD | 373-3910 |
| LINES GP-IMPLEMENT 3V (QC) | 378-8421 |
| MANUAL DIFF, HMU | 384-7006 |
| COUNTERWEIGHT, 960KG | 393-0069 |
| GUARD, TILT CYLINDER | 397-1606 |
| GUARD, HINGED, POWERTRAIN | 399-4332 |
| PRODUCT LINK, CELLULAR PLE641 | 434-0691 |
| LIGHT, SEAT BELT WARNING | 460-7450 |
| FILM, SCRAP | 468-0170 |
| FILM, WASTE | 468-0171 |
| FENDERS, NARROW | 478-8371 |
| GUARDS, LIGHT | 485-4387 |
| OBJECT DETN and CB RADIO READY | 486-9205 |
| SOUND SUPPRESSION, INDUSTRIAL | 488-1138 |
| LIGHT, WARNING BEACON | 491-7467 |
| WINDOWS, STANDARD, FRONT GUARD | 493-9619 |
| HYDRAULICS, 3V RC, STD/LOGGER | 500-2566 |
| FILTRATION, STEEL, ACF PRECLNR | 505-1522 |
| LIGHTS, REVERSING STROBE | 513-2458 |
| INDUSTRIAL PACKAGE | 513-5391 |
| FAN, VPF, ANSI | 513-5393 |
| COOLING CORES 6 FPI, CORROSION | 524-1394 |
| CAB TRIM, DELUXE (HMU) | 538-2771 |
| LINKAGE, STANDARD LIFT | 538-2776 |
| STEERING, WHEEL HMU | 538-2796 |
| JOYSTICK, 3V, HMU/FNR | 539-6026 |
| TIRES, 23.5X25 BR SMOOTH | 540-4374 |
| SEAT BELT, 3" | 551-3397 |
| LIGHTS, LED, PREMIUM | 569-2124 |
| ANTIFREEZE WINDSHIELD WASHER | 0P-1939 |
| STORAGE PROTECTION | 0P-2918 |
| INSTRUCTIONS, ENGLISH | 0P-3380 |
| PROTECTION, CYLINDER ROD | 0P-3940 |

| Description | Reference No |
|---|---|
| FUEL ANTIFREEZE, -25C (-13F) | 0P-3978 |
| ROLL ON-ROLL OFF | 0P-6619 |
| LANE 3 ORDER | 0P-9003 |
| ANTIFREEZE, -34C (-29F) | 371-7064 |
| LUBRICATION, MANUAL, STD/LOG | 538-2788 |
| REGIONAL PACKAGE, AM-N | 543-3587 |

| | |
|---|---|
| LIST PRICE | $405,370.70 |
| LESS CITY OF OXNARD NJPA SOURCEWELL DISCOUNT 18% | $-72,966.73 |
| MACHINE SUBTOTAL | $332,403.97 |
| NVB FULL FIRE SUPPRESSION | $8,850.00 |
| ROCKLAND 6 YARD CUSTOM BUCKET | $29,445.00 |
| PREP | $1,500.00 |
| FREIGHT | $1,000.00 |
| SUBTOTAL | $373,198.97 |
| LESS QUINN COMPANY DISCOUNT | $-4000.00 |
| FULL MACHINE PRICE | $369,198.97 |
| TAX | $28,612.92 |
| TOTAL | $397,811.89 |

**OPTIONAL: Pneumatic Tires Less $9,480.00**

## WARRANTY

Standard Warranty: 12 Months Full Machine

## F.O.B/TERMS

Oxnard Earthmoving

## FINANCING

Finance terms and conditions subject to credit approval by Caterpillar Financial Services Inc.(CFSC). Payment amounts, down payments, and terms are estimates only, final amounts must be determined by CFSC.

Accepted by _____ on _____

_____
Signature

Quote 129912-01

October 31, 2019

CITY OF OXNARD - DEL NORTE RECYCLING
ATTN JAMES TORREZ
111 S DEL NORTE BLVD
OXNARD
California
93030

Attention: James Torrez

Dear Sir,

We would like to thank you for your interest in our company and our products, and are pleased to quote the following for your consideration.

**CATERPILLAR INC. Model: 914M Wheel Loader**

We wish to thank you for the opportunity of quoting on your equipment needs. This quotation is valid for 30 days, after which time we reserve the right to re-quote. If there are any questions, please do not hesitate to contact me.

Sincerely,

Barry Tovey
Machine Sales Representative

## CATERPILLAR INC. Model: 914M Wheel Loader

### STANDARD EQUIPMENT

**POWERTRAIN** - Cat C4.4 ACERT Engine - -Common rail fuel injection - -U.S. EPA Tier 4 Final/ EU Stage 4 - Caterpillar NOx Reduction System - Fuel: Ultra Low Sulphur Diesel @ <15ppm - Engine Oil: Cj-4 - Electric fuel pump with 4 micron - filtration - S.O.S port, transmission oil - Hydrostatic transmission, - 20 km/h (12.5mpr/h - Lube for life universal joints - Forward - Neutral - Reverse on joystick - 100% locking differentials, whilst - moving - Air cleaner, radial seal, dual filters - Cooling fan, hydraulic on demand - Intergrated Cyclone pre-cleaner

**HYDRAULICS** - Two valve, single lever joystick - Diagnostic pressure taps - SOS port, hydraulic oil - Variable displacement piston pump,hystat - and implement.

**ELECTRICAL** - 150 Amp alternator - Single 850 CCA maintenance free battery - Roading lights - 12 volt direct electric starting - Battery disconnect switch

**OPERATOR ENVIRONMENT** - ROPS/FOPS cab, pressurised and sound - suppressed - Hydraulic control lever lockout - Electrohydraulic implement controls - Gauges - - Engine coolant temperature - - Hydraulic oil temperature - - Fuel level - - Speedometer - - Digital Hour meter - - DEF - Operator warning system indicators: - - Brake charge pressure low - - Engine malfunction - - Park brake applied - - Electrical system voltage flow - - Hydraulic oil filter bypass - - Action indicator - Seat - - Fabric or Vinyl - - adjustable height, backrest, armrest - - Seat belt, retractable - Heater/defroster - Wiper/washer (front and rear) - Tinted front glass,laminated - Adjustable steering column - Rear window defrost - Lockable Storage box with cup holder - Internal 12V power source - External 12V power source

**FLUIDS** - Extended life coolant antifreeze - Protected to -36C (-33F) hydraulic oil - Cat Advanced Hydo 10

**OTHER STANDARD EQUIPMENT** - Parallel lift, Optimised Z-Bar loader - Fenders, front and rear - Engine enclosure - lockable - Recovery hitch - Vandalism protection - locked service - points - REGIONAL STANDARDS(as required) - Chocks - bucket tooth or edge guard - Decals, roading speed - Reflectors, roading - Camara, rear view - Beacon

## MACHINE SPECIFICATIONS

| Description | Reference No |
|---|---|
| 914M WHEEL LOADER | 457-1486 |
| 914M WHEEL LOADER | 457-1486 |
| LANE 2 - AVAILABLE FROM LEICESTER FACTORY | |
| LANE 3 - AVAILABLE FROM LEICESTER FACTORY | |
| Standard machine with top speed of 12 mph (20 kph) | |
| SEAT BELT, RETRACTABLE 3" | 236-8015 |
| BEACON, ROTATING | 260-5501 |
| VALVE, DRAIN STD | 308-0190 |
| BUCKET, GP, 2.4 YD3, PO, BOCE | 415-5927 |
| LIGHTS, ROADING, RH DIP | 423-5544 |
| SECURITY SYSTEM, NONE | 433-3258 |
| TIRES, 17.5X25, FLEX, SOLID | 443-7885 |
| HYDRAULIC OIL, STANDARD | 450-5405 |
| ENGINE COOLANT, STANDARD | 450-5406 |
| HEATER AND AIR CONDITIONER | 462-7111 |
| POWERTRAIN, HI RIMPULL, 12MPH | 462-7113 |
| BATTERY, STANDARD | 462-7342 |
| ENGINE, C4.4, T4F, HRC | 462-7420 |
| CAB, DELUXE, SINGLE BRAKE | 463-2090 |
| STEERING, STANDARD | 464-9682 |
| LOADER ARR, PIN ON, STD LIFT | 467-0398 |
| HYDRAULICS, 2V/1L, STD/HI LIFT | 470-6212 |
| FEATURE PACKAGE, ROAD and LOAD | 471-6763 |
| ALARM, BACK-UP | 474-1980 |
| INSTRUCTIONS, ANSI | 476-2741 |
| 3V QUICK DISCONNECT PUSH FIT | 486-3775 |
| LIGHTS, CAB, WORKING LED | 496-9971 |
| FENDER, DEFLECTORS | 504-4713 |
| CAMERA, REAR VIEW | 504-4835 |
| FUEL, STANDARD | 524-5098 |
| GUARD, FRONT LIGHTS | 533-3604 |
| GUARD, HITCH | 539-1317 |
| GUARD, POWERTRAIN | 539-1318 |
| GUARD, DRIVESHAFT | 539-1319 |
| GUARD, CRANKCASE | 539-1321 |
| SEAT, DELUXE | 539-7204 |
| RADIO, AM/FM BLUETOOTH | 541-4413 |
| LANE 3 ORDER | 0P-9003 |
| SERIALIZED TECHNICAL MEDIA KIT | 421-8926 |
| PRODUCT LINK, CELLULAR, PL240 | 508-0797 |

| | |
|---|---|
| **List Price** | **$172,448.41** |
| **LESS CITY OF OXNARD NJPA SOURCEWELL DISCOUNT 23%** | **-$39,663.13** |
| **MACHINE SUBTOTAL** | **$132,785.28** |
| **NVB FIRE SUPPRESSION** | **$8,075** |
| **PREP** | **$1,500** |
| **DELIVERY** | **$800** |
| **SUBTOTAL** | **$143,160.28** |
| **LESS QUINN COMPANY DISCOUNT** | **-$2500** |
| **FULL MACHINE PRICE** | **$140,660.28** |
| **TAX** | **$10,901.17** |
| **TOTAL** | **$151,561.45** |

## WARRANTY

Standard Warranty: 12 Months Full Machine

## F.O.B/TERMS

Oxnard Earthmoving

## FINANCING

Finance terms and conditions subject to credit approval by Caterpillar Financial Services Inc.(CFSC). Payment amounts, down payments, and terms are estimates only, final amounts must be determined by CFSC.

Accepted by _____ on _____

_____
Signature

# QUOTATION

QUINN LIFT

801 Del Norte Blvd.
Oxnard, CA 93030

| PREPARED FOR | |
|---|---|
| Customer: | CITY OF OXNARD RECYCLING |
| Address: | 305 W. 3rd ST |
| | OXNARD, CA 93030 |

| REFERENCE | |
|---|---|
| Effective From: | 1-17-2020 |
| Effective To: | 2-17-2020 |
| Quote #: | 419022 Rev#5 |
| Account Manager: | John Ward |
| Direct Phone: | 805-535-5464 |
| E-mail: | john.ward@quinnlift.com |

**Quinn Lift, Inc. Key Advantages**

Let us take care of the forklifts in your business, so you can concentrate on achieving your goals in your operation. We can deliver a full portfolio of products and services to help you because -

1. We can minimize your down time with 5 large parts warehouses supporting our dealership network, focused on next day delivery direct to our customers.
2. We focus on increasing productivity for every customer – with an extensive product range available from one company; we can provide you the best truck to meet your goals.
3. We have a strong focus on operator protection and product damage limitation, built right into the design of the trucks.

## GP40N1 - 8,000 lb. Capacity LP Pneumatic Tire Lift Truck

### HIGHLIGHTS

**Uncompromising Performance**

- Powerful GK45 4 Cylinder Engine
  Maximum Torque 207 ft-lb @ 1200 rpm
  Maximum Horsepower 97 Hp @ 2450 rpm
  Throttle by Wire Accelerator (no cable)
  High Efficiency Aluminum Cylinder Heads
  Low vibration Dynamically Balanced
- Engine Protection System (EPS)
- Fuel saver mode reducing fuel consumption up to 14%
- Cyclone Air Filter
- High efficiency Aluminum Core Radiator
- Robust Powershift Automatic Transmission 2F/1R
- Transmission Oil Cooler
- Hydrostatic Power Steering
- Elevated Air Intake
- Maintenance Free Battery
- Premium long lasting Trelleborg Tires
- 500 Hour Service Intervals

**Superior Operator Comfort**

- Premium Full Suspension Grammer Seat
- Tilt Steering Column with Memory function
- Isolated (Rubber mounted) Key Components to reduce vibration
- Rubber floor mat
- Insulated Engine cover

# GP40N1 - 8,000 lb. Capacity LP Pneumatic Tire Lift Truck

- Convenience tray with clipboard holder
- Separate Brake and Inching Pedals
- Elongated Grab handle Bar
- Open Step with Anti Slip Plate
- Electronic Direction Control
- Premium tires with 3 layers construction for an extra comfortable ride

**Added Operator Protection and Awareness**
- LED work lights
- Premium LCD/LED Display
- Presence Detection System (PDS)
- Dual Action Parking Brake Handle
- Ground speed control
- Password lock
- Anti-Restart Ignition Key Switch
- Transmission Return to Neutral for Start

| CONFIGURATION | | |
|---|---|---|
| **CHASSIS** | 1 | 8,000 lb. Capacity LP Pneumatic Tire Lift Truck |
| **RATINGS & STANDARDS** | 1 | EPA Compliant |
| **RATINGS & STANDARDS** | 1 | UL Approved |
| **MAST** | 1 | 187.0" MFH / 90.0" OAL / 42.0" FFH Triplex |
| **POWERTRAIN** | 1 | GK45 4.5L In line 6 Cylinder Gas and LPG Engine |
| **POWERTRAIN** | 1 | Two Forward And One Reverse Speed Transmission |
| **DRIVE WHEELS / TIRES** | 1 | Solid Pneumatic Single Drive Tires |
| **STEER WHEELS / TIRES** | 1 | Solid Pneumatic Steer Tires |
| **CARRIAGE** | 1 | 47.0" Wide Hook Type Carriage |
| **LOAD BACKREST** | 1 | 48" High Load Backrest |
| **HYDRAULIC ACTIVATION** | 1 | 3-Section Valve With Fingertip Controls |
| **HYDRAULIC HOSING OPTIONS** | 1 | Single Function Internal Hosing -Triplex Mast |
| **HYDRAULIC SYSTEM OPTIONS** | 1 | Load Bearing Clamp Lockout FUW Fingertip Controls |
| **OVERHEAD GUARD** | 1 | Standard Overhead Guard - 90.5" To Top |
| **OVERHEAD GUARD COVER** | 1 | Tinted Thermoformed Overhead Guard Cover |
| **PRODUCTIVITY OPTIONS** | 1 | Engine Protection System |
| **PRODUCTIVITY OPTIONS** | 1 | Fuel Saver Mode |
| **PRODUCTIVITY OPTIONS** | 1 | Ground Speed Control |
| **PRODUCTIVITY OPTIONS** | 1 | Swing Down LP Tank Bracket |
| **PRODUCTIVITY OPTIONS** | 1 | Rear Grab Handle With Horn Button |
| **SPECIAL APPLICATIONS OPTIONS** | 1 | Dual Element Air Cleaner |
| **SPECIAL APPLICATIONS OPTIONS** | 1 | Elevated Air Intake Pre-Cleaner |
| **SPECIAL APPLICATIONS OPTIONS** | 1 | High Pass Through Radiator |
| **WARNING / LIGHT OPTIONS** | 1 | Electronic Back-up Alarm |
| **WARNING / LIGHT OPTIONS** | 1 | Two Forward LED Working Lights - OHG Mounted |
| **WARNING / LIGHT OPTIONS** | 1 | Rear LED Stop/Tail/Back-up Combination Lights |
| **WARNING / LIGHT OPTIONS** | 1 | Rear LED Working Light |
| **WARNING / LIGHT OPTIONS** | 1 | Amber Strobe Light - Mounted Below OHG |
| **SEAT** | 1 | Full Suspension Vinyl Seat |
| **ACCESSORIES** | 1 | Orange Seat Belt |
| **ACCESSORIES** | 1 | Rubber Floor Mat |
| **ACCESSORIES** | 1 | Dual Panoramic Rear View Mirror Kit |
| **LP TANK** | 1 | Steel LP Tank, Horizontal Fill - 43.5# |
| **LANGUAGE MARKINGS** | 1 | English Language Markings North/South America |
| **ROTATOR** | 1 | Cascade 65G-RRB-24B, 48" Forks |

| GP40N1 INVESTMENT SUMMARY | | | | |
|---|---|---|---|---|
| QTY | DESCRIPTION | UNIT PRICE | EXTENDED PRICE | ACCEPTED |
| 1 | CAT 8,000 lb. Capacity LP Pneumatic Tire Lift Truck | $ 56,957.00 | $56,957.00 | |
| | **SPECIFIED INVESTMENT TOTAL:** | | $56,957.00 | |

| GP40N1 WARRANTY | |
|---|---|
| GP40N1 | Standard Warranty - 12 Months/2000 Hours Full Coverage; 24 Months, 4000 Hours Powertrain |

## GP40N1 - 8,000 lb. Capacity LP Pneumatic Tire Lift Truck

### HIGHLIGHTS

**Uncompromising Performance**
- Powerful GK45 4 Cylinder Engine
  Maximum Torque 207 ft-lb @ 1200 rpm
  Maximum Horsepower 97 Hp @ 2450 rpm
  Throttle by Wire Accelerator (no cable)
  High Efficiency Aluminum Cylinder Heads
  Low vibration Dynamically Balanced
- Engine Protection System (EPS)
- Fuel saver mode reducing fuel consumption up to 14%
- Cyclone Air Filter
- High efficiency Aluminum Core Radiator
- Robust Powershift Automatic Transmission 2F/1R
- Transmission Oil Cooler
- Hydrostatic Power Steering
- Elevated Air Intake
- Maintenance Free Battery
- Premium long lasting Trelleborg Tires
- 500 Hour Service Intervals

**Superior Operator Comfort**
- Premium Full Suspension Grammer Seat
- Tilt Steering Column with Memory function
- Isolated (Rubber mounted) Key Components to reduce vibration
- Rubber floor mat
- Insulated Engine cover
- Convenience tray with clipboard holder
- Separate Brake and Inching Pedals
- Elongated Grab handle Bar
- Open Step with Anti Slip Plate
- Electronic Direction Control
- Premium tires with 3 layers construction for an extra comfortable ride

**Added Operator Protection and Awareness**
- LED work lights
- Premium LCD/LED Display
- Presence Detection System (PDS)
- Dual Action Parking Brake Handle
- Ground speed control
- Password lock
- Anti-Restart Ignition Key Switch
- Transmission Return to Neutral for Start

# GP40N1 - 8,000 lb. Capacity LP Pneumatic Tire Lift Truck

| CONFIGURATION | | |
|---|---|---|
| **CHASSIS** | 1 | 8,000 lb. Capacity LP Pneumatic Tire Lift Truck |
| **RATINGS & STANDARDS** | 1 | EPA Compliant |
| **RATINGS & STANDARDS** | 1 | UL Approved |
| **MAST** | 1 | 187.0" MFH / 90.0" OAL / 42.0" FFH Triplex |
| **FORKS** | 1 | 2.0" X 6.0" X 48" Hook Type - Pallet |
| **POWERTRAIN** | 1 | GK45 4.5L In line 6 Cylinder Gas and LPG Engine |
| **POWERTRAIN** | 1 | Two Forward And One Reverse Speed Transmission |
| **SIDESHIFTER** | 1 | 47" Wide ITA Class III Hang-On Sideshifter |
| **DRIVE WHEELS / TIRES** | 1 | Solid Pneumatic Single Drive Tires |
| **STEER WHEELS / TIRES** | 1 | Solid Pneumatic Steer Tires |
| **CARRIAGE** | 1 | 47.0" Wide Hook Type Carriage |
| **LOAD BACKREST** | 1 | 48" High Load Backrest |
| **HYDRAULIC ACTIVATION** | 1 | 3-Section Valve With Fingertip Controls |
| **HYDRAULIC HOSING OPTIONS** | 1 | Single Function Internal Hosing -Triplex Mast |
| **OVERHEAD GUARD** | 1 | Standard Overhead Guard - 90.5" To Top |
| **OVERHEAD GUARD COVER** | 1 | Tinted Thermoformed Overhead Guard Cover |
| **PRODUCTIVITY OPTIONS** | 1 | Engine Protection System |
| **PRODUCTIVITY OPTIONS** | 1 | Fuel Saver Mode |
| **PRODUCTIVITY OPTIONS** | 1 | Ground Speed Control |
| **PRODUCTIVITY OPTIONS** | 1 | Swing Down LP Tank Bracket |
| **PRODUCTIVITY OPTIONS** | 1 | Rear Grab Handle With Horn Button |
| **SPECIAL APPLICATIONS OPTIONS** | 1 | Dual Element Air Cleaner |
| **SPECIAL APPLICATIONS OPTIONS** | 1 | Elevated Air Intake Pre-Cleaner |
| **SPECIAL APPLICATIONS OPTIONS** | 1 | High Pass Through Radiator |
| **WARNING / LIGHT OPTIONS** | 1 | Electronic Back-up Alarm |
| **WARNING / LIGHT OPTIONS** | 1 | Two Forward LED Working Lights - OHG Mounted |
| **WARNING / LIGHT OPTIONS** | 1 | Rear LED Stop/Tail/Back-up Combination Lights |
| **WARNING / LIGHT OPTIONS** | 1 | Rear LED Working Light |
| **WARNING / LIGHT OPTIONS** | 1 | Amber Strobe Light - Mounted Below OHG |
| **SEAT** | 1 | Full Suspension Vinyl Seat |
| **ACCESSORIES** | 1 | Orange Seat Belt |
| **ACCESSORIES** | 1 | Rubber Floor Mat |
| **ACCESSORIES** | 1 | Dual Panoramic Rear View Mirror Kit |
| **LP TANK** | 1 | Steel LP Tank, Horizontal Fill - 43.5# |
| **LANGUAGE MARKINGS** | 1 | English Language Markings North/South America |

## GP40N1 INVESTMENT SUMMARY

| QTY | DESCRIPTION | UNIT PRICE | EXTENDED PRICE | ACCEPTED |
|---|---|---|---|---|
| **1** | CAT 8,000 lb. Capacity LP Pneumatic Tire Lift Truck | $ 49,353.00 | $49,353.00 | |
| | **SPECIFIED INVESTMENT TOTAL:** | | $49,353.00 | |

## GP40N1 WARRANTY

| | |
|---|---|
| GP40N1 | Standard Warranty - 12 Months/2000 Hours Full Coverage; 24 Months, 4000 Hours Powertrain |

## ACCEPTANCE AS CONTRACT OF SALE

**Authorized agent understands and agrees to the Terms and Conditions as included with this Quote**

| CITY OF OXNARD RECYCLING | Quinn Lift, Inc. |
|---|---|
| Authorized Agent Signature | Authorized Agent Signature |
| Date Signed | Date Signed |
| Printed name | John Ward<br>Printed name |
| Title/Position | Sales Representative<br>Title/Position |
| Customer Purchase Order Number | |

*Please consult with your accountant, tax professional, or equivalent to confirm characterization of equipment and tax implications. Other financing options and terms may be available (including financing sales tax). Please consult with your product specialist representative for additional financing options.*

Terms: Net Due Upon Delivery or Finance
All prices quoted subject to applicable taxes, availability, and change without notice.

Email: Steven.Rogers@MCFA.com Phone: 713-365-1785

**Form C**

## EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS, AND SOLUTIONS REQUEST

Company Name: Mitsubishi Caterpillar Forklift America

Any exceptions to the terms, conditions, specifications, or proposal forms contained in this RFP must be noted in writing and included with the Proposer's response. The Proposer acknowledges that the exceptions listed may or may not be accepted by NJPA or included in the final contract. NJPA will make reasonable efforts to accommodate the listed exceptions and may clarify the exceptions in the appropriate section below.

| Section/page | Term, Condition, or Specification | Exception | NJPA ACCEPTS |
|---|---|---|---|
| Section 3.F. – 3.3.5/pg. 10 | **Warranty:** The Proposer warrants that all products, equipment, supplies, and services delivered under this Contract shall be covered by the industry standard or better warranty. | **Warranty:** The Proposer warrants that all products, equipment, supplies, and services delivered under this Contract shall be covered ~~by the industry standard or better~~ in accordance with Proposer's Warranty Certificate submitted and incorporated as part of Vendor's proposal. | Accepted. |
| Section 3.F. – 3.3.6/pg. 10 | **Additional Warrants:** In addition, Proposer/Vendor warrants the products/equipment and related services are suitable for and will perform in accordance with the ordinary use for which they are intended. | **Additional Warrants:** ~~In addition, Proposer/Vendor warrants the products/equipment and related services are suitable for and will perform in accordance with the ordinary use for which they are intended.~~ | Accepted. |
| Section 5.L. – 5.51/pg. 17 | Delivered products must be properly packaged. Damaged products may be rejected. If the damage is not readily apparent at the time of delivery, the Vendor must permit the products to be returned within a reasonable time at no cost to NJPA or NJPA Member. | Delivered products must be properly packaged. Except as provided for herein, damaged products may be rejected. If the damage is not readily apparent at the time of delivery, the Vendor must permit the products to be returned within ~~a reasonable time~~ five (5) business days of NJPA's or NJPA Member's determination of any damage at no cost to NJPA or NJPA Member; provided that, Vendor is unable to timely repair or replace the damaged product. | Accepted. |
| Section 5.L. – 5.54/pg. 18 | Throughout the term of the Contract, Proposer agrees to pay for return shipment on products that arrive in a defective or inoperable condition. Proposer must arrange for the return shipment of the damaged products. | **5.54** Throughout the term of the Contract, Proposer agrees to pay for return shipment on products that arrive in a defective or inoperable condition~~.~~; provided that, the NJPA Member has timely inspected and notified Proposer ~~must arrange for the return shipment of the damaged products~~ in accordance with Section 5.51 of any defects or inoperable conditions. | Accepted. |
| Section 6.H. – 6.27/pg. 23 | Nothing in this Contract restricts the Member and Vendor from agreeing to add terms or conditions to a purchase order or a separate contract provided that such terms or conditions must not be less favorable to NJPA's Members. | …must not be less favorable to NJPA's Members. Notwithstanding the foregoing, in no event will Vendor be obligated to accept and fulfill a purchase order for the submitting NJPA Member that materially deviates from the terms and conditions set forth in this Contract. | See below. |

LEGAL Initials 12/9/22 Date

| | | | |
|---|---|---|---|
| Section 7.A. Post-Award Operating Issues – 7.5/pg. 25 | **Performance Bond**: Each Member has the final decision on purchase order continuation. | Each Member has the final decision on purchase order continuation with respect to a lack of a required performance bond. | Accepted. |
| Section 7.H. Contract Termination for Cause and Without Cause – 7.13/pg. 26 | NJPA reserves the right to cancel all or any part of this Contract if the Vendor fails to fulfill any material obligation, term, or condition as described in the following procedure. Before any such termination for cause, the NJPA will provide written notice to the Vendor, an opportunity to respond, and a reasonable opportunity to cure the breach. The following are some examples of material breaches. | NJPA reserves the right to cancel all or any part of this Contract for cause if the Vendor ~~fails~~ materially breaches this Contract for failing to fulfill any material obligation, term, or condition as described in the following procedure. Before any such termination for cause, the NJPA will provide written notice to the Vendor, an opportunity to respond, and a ~~reasonable opportunity~~ minimum of fourteen (14) days ("Cure Period") to cure the material breach. The following are some examples of material breaches. | Accepted with a 10 business day cure period. |
| Section 7.H. Contract Termination for Cause and Without Cause – 7.14/pg. 27 | Upon receipt of the written notice of breach, the Vendor will have ten (10) business days to provide a satisfactory response to NJPA. If the Vendor fails to reasonably address all issues in the written notice, NJPA may terminate the Contract immediately. | Upon receipt of the written notice of the material breach, the Vendor will have ten (10) business days to ~~provide a satisfactory response to NJPA~~ respond to the notice of breach with Vendor's proposed remediation or course of action. If the Vendor fails to reasonably address all issues in the written notice within the Cure Period, NJPA may terminate the Contract immediately. | Accepted. |
| Section 7.H. – 7.19 (**new section**) | N/A | **7.19** Notwithstanding anything to the contrary herein, in no event will termination of this Contract by NJPA or the applicable NJPA Member negatively affect, diminish or modify any in-progress or existing purchase orders of Vendor solely as it relates to customized or non-standard Products. | Accepted. |
| Section 8.B. General Terms and Conditions – Applicable Law – 8.11 (**new section**) | N/A | **No Liability for Consequential or Indirect Damages: NEITHER PARTY, NOR ITS REPRESENTATIVES, WILL BE LIABLE FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, LOST PROFITS OR REVENUES, ARISING OUT OF RELATING TO ANY BREACH UNDER THIS CONTRACT, WHETHER OR NOT THE POSSIBILITY OF SUCH DAMAGES HAS BEEN DISCLOSED IN ADVANCE BY THE AFFECTED PARTY OR COULD HAVE BEEN REASONABLY FORESEEN BY THE NON-AFFECTED PARTY REGARDLESS OF THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED.** | Accepted. |
| Section 8.C. General Terms and Conditions – Assignment of Contract – 8.11/pg. 28 | No right or interest in this Contract may be assigned or transferred by the Vendor without prior written permission by the NJPA. | No right or interest in this Contract may be assigned or transferred by the Vendor without prior written permission by the NJPA which shall not be unreasonably withheld, delayed or conditioned. | Accepted. |
| Section 8.C. General Terms and Conditions –Assignment of | NJPA reserves the right to reject the acquiring entity as a Vendor. | NJPA reserves the right to reject the acquiring entity as a Vendor if such acquiring entity fails to meet NJPA's creditworthiness standards. | Rejected. |

6.27: Neither NJPA, NJPA Members or Vendor may propose terms which materially deviate from the terms and conditions of the Contract.

LEGAL Initials Date 12/9/14

**Contract Award**
**RFP #101816**

**FORM D**

**Formal Offering of Proposal**
(To be completed only by the Proposer)

FORKLIFTS, LIFT TRUCKS, AND RELATED MATERIAL HANDLING EQUIPMENT, ATTACHMENTS, ACCESSORIES, AND SERVICES

In compliance with the Request for Proposal (RFP) for FORKLIFTS, LIFT TRUCKS, AND RELATED MATERIAL HANDLING EQUIPMENT, ATTACHMENTS, ACCESSORIES, AND SERVICES, the undersigned warrants that the Proposer has examined this RFP and, being familiar with all of the instructions, terms and conditions, general and technical specifications, sales and service expectations, and any special terms, agrees to furnish the defined products and related services in full compliance with all terms and conditions of this RFP, any applicable amendments of this RFP, and all Proposer's response documentation. The Proposer further understands that it accepts the full responsibility as the sole source of solutions proposed in this RFP response and that the Proposer accepts responsibility for any subcontractors used to fulfill this proposal.

Company Name: Mitsubishi Caterpillar Forklift Date: 10-31-2016

Company Address: 2121 West Sam Houston Parkway North

City: Houston State: Tx Zip: 77043

Contact Person: James Gully Title: General Manager

Authorized Signature: James Gully
(Name printed or typed)

# FORM E
## CONTRACT ACCEPTANCE AND AWARD

(Top portion of this form will be completed by NJPA if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

NJPA Contract #: 101816-MCF

Proposer's full legal name: Mitsubishi Caterpillar America Forklift Inc. (MCFA)

**Based on NJPA's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all of the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by NJPA.**

The effective date of the Contract will be December 15, 2016 and will expire on December 15, 2020 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the NJPA Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at NJPA's discretion.

**NJPA Authorized Signatures:**

NJPA DIRECTOR OF COOPERATIVE CONTRACTS AND PROCUREMENT/CPO SIGNATURE — Jeremy Schwartz (NAME PRINTED OR TYPED)

NJPA EXECUTIVE DIRECTOR/CEO SIGNATURE — Chad Coauette (NAME PRINTED OR TYPED)

Awarded on December 15, 2016 — NJPA Contract # 101816-MCF

---

**Vendor Authorized Signatures:**

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

**Vendor Name** Mitsubishi Caterpillar Forklift America Inc.

**Authorized Signatory's Title** Director of Sales

VENDOR AUTHORIZED SIGNATURE — John Swanson (NAME PRINTED OR TYPED)

Executed on 14th Dec, 2016 — NJPA Contract # 101816-MCF

**Form F**

## PROPOSER ASSURANCE OF COMPLIANCE

**Proposal Affidavit Signature Page**

### PROPOSER'S AFFIDAVIT

The undersigned, authorized representative of the entity submitting the foregoing proposal (the "Proposer"), swears that the following statements are true to the best of his or her knowledge.

1. The Proposer is submitting its proposal under its true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, the Proposer possesses, or will possess before delivering any products and related services, all applicable licenses necessary for such delivery to NJPA members agencies. The undersigned affirms that he or she is authorized to act on behalf of, and to legally bind the Proposer to the terms in this Contract.

2. The Proposer, or any person representing the Proposer, has not directly or indirectly entered into any agreement or arrangement with any other vendor or supplier, any official or employee of NJPA, or any person, firm, or corporation under contract with NJPA, in an effort to influence the pricing, terms, or conditions relating to this RFP in any way that adversely affects the free and open competition for a Contract award under this RFP.

3. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request, and other documents in this solicitation and affirms that any and all exceptions have been noted in writing and have been included with the Proposer's RFP response.

4. The Proposer will, if awarded a Contract, provide to NJPA Members the /products and services in accordance with the terms, conditions, and scope of this RFP, with the Proposer-offered specifications, and with the other documents in this solicitation.

5. The Proposer agrees to deliver products and services through valid contracts, purchase orders, or means that are acceptable to NJPA Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to NJPA Members under an awarded Contract.

6. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.

7. The Proposer understands that NJPA will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statute §13.591, Subd. 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals generally become public data. Minnesota Statute §13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.

8. The Proposer understands that it is the Proposer's duty to protect information that it considers nonpublic, and it agrees to defend and indemnify NJPA for reasonable measures that NJPA takes to uphold such a data designation.

**[The rest of this page has been left intentionally blank. Signature page below]**

By signing below, Proposer is acknowledging that he or she has read, understands, and agrees to comply with the terms and conditions specified above.

Company Name: Mitsubishi Caterpillar Forklifts America

Address: 2121 West Sam Houston Parkway North

City/State/Zip: Houston, TX 77043

Telephone Number: 713-365-1000

E-mail Address:

Authorized Signature: James Gully

Authorized Name (printed): James Gully

Title: General Manager

Date: 10-31-2016

**Notarized**

Subscribed and sworn to before me this _____ day of _____, 20_____

Notary Public in and for the County of _____ State of _____

My commission expires: _____

Signature: _____

**Form P**

## PROPOSER QUESTIONNAIRE

**Payment Terms, Warranty, Products and Services, Pricing and Delivery, and Industry-Specific Questions**

*Proposer* Name: Mitsubishi Caterillar Forklift America (MCFA)

Questionnaire completed by: Steven Rogers and Victor Salcedo

### Payment Terms and Financing Options

1) What are your payment terms (e.g., net 10, net 30)? Net 30 days
2) Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?.

   Yes, through our financing partner DLL Commercial Finance. They will conduct a financial assessment and, based on the results, will provide appropriate financing options.
3) Briefly describe your proposed order process. Please include enough detail to support your ability to report quarterly sales to NJPA. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the NJPA Members' purchase orders.

   Your assigned Dealer and Dealer Representative (Dealer Rep) will work with the local NJPA customer to conduct an application survey to determine the proper material handling equipment for the facility. Your Dealer Rep will prepare a quote for NJPA's customer utilizing our CRM system, which is used to manage all of our quoting and quote-to-order activity. All quotes accepted by the customer will electronically convert from our CRM system into our Manufacturing ERP system as initiated by your Dealer Rep. This step will include final verification of all specs within the quote with prior to placing the order on the factory. NJPA's customer will also have an assigned MCFA Account Coordinator (AC) who will ascertain the factory order acknowledgement and associated Committed Ship Date (CSD) from our factory and communicate this information back to you and the Dealer rep as well.
4) Do you accept the P-card procurement and payment process? If so, is there any additional cost to NJPA Members for using this process?

   Because the equipment will be purchased through our MCFA dealers, we will defer this question to our independent dealers. Each dealer has various financing options, but these options vary.

### Warranty

5) Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may include in your response a copy of your warranties, but at a minimum please also answer the following questions.

- Do your warranties cover all products, parts, and labor?

Warranty statements are avialble online at www.mcfadealers.com and also attached to this file. MCFA will reimburse the servicing dealer for reasonable labor performed in fulfilling MCFA warranty obligations during the period specified in the warranty statement. New lift trucks purchased by the user are covered by MCFA warranty.

The warranty period is a single total period, and the warranty commitment is fulfilled by making repairs or replacements within that period. The standard lift truck warranty period for new MCFA product is outlined in the appropriate warranty statement for each model or brand. The warranty period starts with the warranty start date as indicated on the delivery report. MCFA warrants that each new lift truck sold by MCFA shall be free from defects in material and workmanship.

- Do your warranties impose usage restrictions or other limitations that adversely affect coverage?

Complete warranty statement attached. In general this warranty requires proper and timely maintenance and periodic inspections of the lift truck as indicated in the operators's manual furnished with the lift truck.

- Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?

Yes, 1.5 hour travel time for U.S. and Canadian customers.

- Are there any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs?

MCFA has dealers and certified technicians throughout North America. In very remote locations, there may be local arrangments regarding partnership with another dealer, etc. MCFA can be contacted for more clarification on a case-by-case basis.

- Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?

MCFA is the manufacturer.

6) Describe any service contract options for the items included in your proposal.

There are various service contracts available from our MCFA dealers. Because rates vary by region, it would be best for the NJPA member to contact their local MCFA dealer for more details.

**Pricing, Delivery, Audits, and Administrative Fee**

7) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.

MCFA can nationally and globally offer NJPA the broadest line of material handling equipment across all five ITA classes of product under the Cat lift truck, Mitsubishi forklift and Jungheinrich brands of equipment. In addition to traditional forklift equipment, we also manufacturer and globally provide multiple types of automated guided vehicles for a wide array of applications within manufacturing and distribution operations.

8) Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the NJPA discounted price) on all of the items that you want NJPA to consider as part of your RFP response. Provide a SKU for each item in your proposal. (Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract. See the body of the RFP and the Price and Product Change Request Form for more detail.)

Pricing addendum attached.

9) Please quantify the discount range presented in this response. For example, indicate that the pricing in your response represents is a 50% percent discount from the MSRP or your published list.

Pricing addendum attached.

10) The pricing offered in this proposal is

_____a. the same as the Proposer typically offers to an individual municipality, university, or school district.

_____b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.

___X___c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.

_____d. other than what the Proposer typically offers (please describe).

11) Describe any quantity or volume discounts or rebate programs that you offer.

High volume discounts (10+ units) may be available as a joint offer between MCFA and our MCFA dealer. Because the price range of our products vary so greatly, we will discuss each opportunity with our MCFA dealer on a case-by-case basis.

12) Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.

MCFA can offer Custom Shop Modification (CSM) options on most of our products. Because the range of custom options are so many, and because some customers have very specific requirements, we handle such requests on a case-by-case basis through our MCFA dealers. Our dealer will submit a request to confim that the item can be installed on the truck without issue. After that, a quote will be generated based on the amount of engineering, labor, materials, and other factors needed to cover such costs plus a small business markup of the item(s) being quoted.

13) Identify any total cost of acquisition costs that are **NOT** included in the pricing submitted with your response. This cost includes all additional charges that are not directly identified as freight or shipping charges. For example, list costs for items like installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.

Factory freight, local transportation, and dealer preparation are not included in these costs, as these costs vary by distance, regional labor costs, etc. Please

14) If delivery or shipping is an additional cost to the NJPA Member, describe in detail the complete shipping and delivery program.

A MCFA flat rate pricing matrix is included for your review.

15) Specifically describe those shipping and delivery programs for Alaska, Hawaii, Canada, or any offshore delivery.

MCFA uses a flat rate matrix based on region and forklift capacity.

16) Describe any unique distribution and/or delivery methods or options offered in your proposal.

(None)

17) Please specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with NJPA. This process includes ensuring that NJPA Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to NJPA.

MCFA will be monitoring sales to NJPA members via a regular internal audit process. Dealers will utilize a code that will enable them to sell the unit with special discounting to the NJPA member. On a monthly basis MCFA will conduct the audit within our system to identify these sales. The revenue of these sales will be provided to NJPA per the contract (quarterly basis), and paid in a timely manner according to the contract terms.

18) Identify a proposed administrative fee that you will pay to NJPA for facilitating, managing, and promoting the NJPA Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See RFP Section 6.29 and following for details.)

1.5% of equipment unit sales revenue (excluding freight, taxes, or other non-revenue fees) of the first 50 units sold through the program. After 50 units, we will increase the amount to 2% of equipment units sales revenue (excluding

freight, taxes, and other non-revenue fees). This graduated percentage is an incentive for all parties to promote and make the program a success ahead of the next term contract opportunity.

## Industry-Specific Questions

19) What is your US market share for the solutions you are proposing in this response? What is your Canadian market share, if any?
MCFA's market share is 12% to 15% in North America including Canada.

20) What is the average operating cost per hour of an electric truck operating inside a warehouse?

Average cost is $1.10 per hour

21) What is the average operating cost per hour of an engine-powered truck operating in an outside yard setting?

Average cost id $1.75 per hour

22) Do you provide preventive, periodic or full maintenance plans/programs for the solutions you are proposing in this response? If so, provide a recommended service & maintenance agreement for a periodic/preventive and/or full maintenance plan. What are recommended service intervals?

Maintenance services available include: Time and Material, Planned Maintenance Basic (flat rate labor only), Planned Maintenance Comprehensive (one amount to include labor, materials and environmental fees), Full Maintenance (all planned and un-planned maintenance less avoidable damage, tires, forks and seats), Complete Maintenance (all planned and un-planned maintenance including avoidable damage, tires, forks and seats less sentinel and persistent events) , These programs are executed via MCFA's dealer network supplying consistent performance to every customer location. Our products have a 500 hour recommended service interval.

23) Identify any additional costs not included in the cost of the equipment, such as pre-delivery or installation inspections.

Pre-delivery and installation is not included in the price as these costs vary by regional labor costs. Pre-delivery cost (with no truck modifications made after being built at our factory) is usally a nominal fee and usually does not exceed 2% of equipment cost.

For installation costs, some of our more sophisticated (but extremely efficient and productive) warhouse models may require specialized site survey(s), guidance-related installations, etc. Facility floor condition may also be a factor that can affect cost. The local MCFA dealer can explain more about how these costs may relate to a particular model being quoted.

24) Describe any training and/or certification programs related to this proposal, such as OSHA training, safety training, or technician certification.

The MCFA dealer network has over 7,500 trained service technicians and are measured on their ability to maintain a 90% or better first time fix on service calls. MCFA's Service technicians are required to complete 12 hours of service training on our e-Learning Management System [this is tracked] prior to any instructor led classes.
Depending upon the product [IC/Electric/Both], they are required to pass [2] 3-4 day instructor led classes to reach the basic level. Once the basic level is attained, there are [3] levels of certification which require an addition 2-3 instructor led classes. Once certified, they are required to complete X hours [depending upon product/skill level] on eLMS system as well as a minimum as X instructor led classes [depending upon product/skill level] annually to maintain the certification.

25) Is your warranty program handled directly, or does it require a pass through to another manufacturer?

Directly.

26) What is your parts order fill rate?

MCFA maintains a 98% fill rate on emergency orders and the majority of our dealers maintain parts fill from inventory in the 90-95% completion.

Signature: Date: 10/31/2016

**Form C**

## EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS, AND SOLUTIONS REQUEST

Company Name: Caterpillar Inc.

Any exceptions to the terms, conditions, specifications, or proposal forms contained in this RFP must be noted in writing and included with the Proposer's response. The Proposer acknowledges that the exceptions listed may or may not be accepted by Sourcewell or included in the final contract. Sourcewell will make reasonable efforts to accommodate the listed exceptions and may clarify the exceptions in the appropriate section below.

| Section/page | Term, Condition, or Specification | Exception | Sourcewell ACCEPTS |
|---|---|---|---|
| 8.11 / page 29 | Assignment of Contract | Notwithstanding the Terms of Section 8.11, Caterpillar shall be permitted to subcontract certain of its duties to Cat dealers for performance. * | Sourcewell accepts |
| Section Q / page 32 | Provisions for non-federal entity procurements under federal awards or other awards; airport improvement program provisions | Section Q shall be deleted in its entirety. However, Caterpillar Dealers will review individual transactions that may implicate certain provisions within section Q on a case by case basis as required. * | Sourcewell accepts |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

*Please see page 2 of this form for comments regarding this exception request.

**Proposer's Signature:** Peter A Redpath **Date:** 3/13/19

**Sourcewell's clarification on exceptions listed above:**

LEGAL
HCP
Initials
May 3, 2019
Date

**Form C**

## EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS, AND SOLUTIONS REQUEST

**Caterpillar Comments on Exception Requests:**

**Exception to 8.11**

Because we rely on our dealer network to work closely with customers to execute the terms of this agreement, we want to clarify that we may subcontract these obligations to them. This is how we are operating today to the satisfaction of all involved and we intend for this strong, close, and effective relationship to continue.

**Exception to Section Q**

In many situations we will be willing to comply to these terms. However, it is impossible to provide a blanket acceptance as each transaction is unique. For example, the Buy American provision referenced in 8.43 will be acceptable for some products and not for others depending on the source of production. By looking at each transaction individually we can ensure careful consideration. It is our desire to earn this business and when we are able to comply we will honor the terms specific to the transaction.

**Contract Award**
**RFP #032019**

**FORM D**

**Formal Offering of Proposal**
(To be completed only by the Proposer)

HEAVY CONSTRUCTION EQUIPMENT WITH RELATED ACCESSORIES, ATTACHMENTS, AND SUPPLIES

In compliance with the Request for Proposal (RFP) for HEAVY CONSTRUCTION EQUIPMENT WITH RELATED ACCESSORIES, ATTACHMENTS, AND SUPPLIES, the undersigned warrants that the Proposer has examined this RFP and, being familiar with all of the instructions, terms and conditions, general and technical specifications, sales and service expectations, and any special terms, agrees to furnish the defined products and related services in full compliance with all terms and conditions of this RFP, any applicable amendments of this RFP, and all Proposer's response documentation. The Proposer further understands that it accepts the full responsibility as the sole source of solutions proposed in this RFP response and that the Proposer accepts responsibility for any subcontractors used to fulfill this proposal.

Company Name: Caterpillar Inc. Date: 3/6/19

Company Address: 100 NE Adams Street

City: Peoria State: IL Zip: 61629

CAGE Code/DUNS: 11083/944204924

Contact Person: Patty Redpath Title: Governmental Account Manager

Authorized Signature: Patrick Kearns
(Name printed or typed)



Caterpillar: Confidential Green

DocuSign Envelope ID: A05DDB3F-661F-4EB5-AF77-6D47E6730B71



**FORM E**

# CONTRACT ACCEPTANCE AND AWARD

(Top portion of this form will be completed by Sourcewell if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

Sourcewell Contract #: 032119-CAT

Proposer's full legal name: Caterpillar Inc.

**Based on Sourcewell's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by Sourcewell.**

The effective date of the Contract will be May 13, 2019 and will expire on May 13, 2023 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the Sourcewell Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at Sourcewell's discretion.

**Sourcewell Authorized Signatures:**

DocuSigned by:
Jeremy Schwartz
C0ED2A139D06488...
SOURCEWELL DIRECTOR OF OPERATIONS AND PROCUREMENT/CPO SIGNATURE

Jeremy Schwartz
(NAME PRINTED OR TYPED)

DocuSigned by:
Chad Coauette
7E42B8FB17A64CC...
SOURCEWELL EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coauette
(NAME PRINTED OR TYPED)

Awarded on May 10, 2019

Sourcewell Contract # 032119-CAT

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**Vendor Authorized Signatures:**

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

**Vendor Name** Caterpillar Inc

**Authorized Signatory's Title** North American Industry Manager

VENDOR AUTHORIZED SIGNATURE

Patrick Kearns
(NAME PRINTED OR TYPED)

Executed on May 10, 2019

Sourcewell Contract # 032119-CAT

**Form F**

## PROPOSER ASSURANCE OF COMPLIANCE

**Proposal Affidavit Signature Page**

### PROPOSER'S AFFIDAVIT

The undersigned, authorized representative of the entity submitting the foregoing proposal (the "Proposer"), swears that the following statements are true to the best of his or her knowledge.

1. The Proposer is submitting its proposal under its true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, the Proposer possesses, or will possess before delivering any products and related services, all applicable licenses necessary for such delivery to Sourcewell members agencies. The undersigned affirms that he or she is authorized to act on behalf of, and to legally bind the Proposer to the terms in this Contract.

2. The Proposer, or any person representing the Proposer, has not directly or indirectly entered into any agreement or arrangement with any other vendor or supplier, any official or employee of Sourcewell, or any person, firm, or corporation under contract with Sourcewell, in an effort to influence the pricing, terms, or conditions relating to this RFP in any way that adversely affects the free and open competition for a Contract award under this RFP.

3. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request, and other documents in this solicitation and affirms that any and all exceptions have been noted in writing and have been included with the Proposer's RFP response.

4. The Proposer will, if awarded a Contract, provide to Sourcewell Members the /products and services in accordance with the terms, conditions, and scope of this RFP, with the Proposer-offered specifications, and with the other documents in this solicitation.

5. The Proposer agrees to deliver products and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.

6. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.

7. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statute §13.591, Subd. 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals generally become public data. Minnesota Statute §13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.

8. The Proposer understands that it is the Proposer's duty to protect information that it considers nonpublic, and it agrees to defend and indemnify Sourcewell for reasonable measures that Sourcewell takes to uphold such a data designation.

**[The rest of this page has been left intentionally blank. Signature page below]**



Caterpillar: Confidential Green

By signing below, Proposer is acknowledging that he or she has read, understands, and agrees to comply with the terms and conditions specified above.

Company Name: Caterpillar Inc.

Address: 100 NE Adams Street

City/State/Zip: Peoria, IL 61629

Telephone Number: 309-675-1000

E-mail Address: Cat_Governmental@cat.com

Authorized Signature: Patrick K

Authorized Name (printed): Patrick Kenny

Title: North America Industry Manager

Date: 3/6/19

**Notarized**

OFFICIAL SEAL
JODY R. MCKENZIE
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires Feb 2, 2020

Subscribed and sworn to before me this 6th day of March, 20 19

Notary Public in and for the County of Peoria State of Illinois

My commission expires: February 2, 2020

Signature: Jody R McKenzie



Caterpillar: Confidential Green

**Form P**

# PROPOSER QUESTIONNAIRE

**Payment Terms, Warranty, Products and Services, Pricing and Delivery, and Industry-Specific Questions**

Proposer Name: Caterpillar Inc.

Questionnaire completed by: Patty Redpath

## Payment Terms and Financing Options

1) What are your payment terms (e.g., net 10, net 30)?

   Our dealers accept payment from members and their terms may vary. The most common term is net 30.

2) Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?

   Yes. We offer both leasing and financing options to governmental members of Sourcewell at rates **lower** than available to the general public.

3) Briefly describe your proposed order process. Please include enough detail to support your ability to report quarterly sales to Sourcewell. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the Sourcewell Members' purchase orders.

   Our simple order process has been and will continue to be well appreciated by Sourcewell and Sourcewell members:

   1) When a member decides to purchase a new Cat machine, they simply include their Sourcewell member number on the Purchase Order they issue to the Cat dealer.
   2) The Cat dealer then accepts the PO, issues the invoice, accepts payment, and delivers the machine.
   3) After the machine has been delivered, the dealer, as part of their normal process, includes the member number when filing their sales claim with Caterpillar.
   4) At month end, Caterpillar aggregates these reports and sends the sales information quarterly to Sourcewell along with the administration fee.

   **Important Note:** Should a member wish to include additional terms and conditions to this contract, or to otherwise request a Participating Addendum, that agreement/PA should be executed between the member and the Cat dealer directly.

4) Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell Members for using this process?

   Because Cat dealers will be receiving payments directly from members, accepting P-card procurement will be at their discretion. Many dealers do accept this method without additional fees. Some have limitations on the amount that can be processed.

**Warranty**

5) Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may include in your response a copy of your warranties, but at a minimum please also answer the following questions.

- Do your warranties cover all products, parts, and labor?

  Yes. Caterpillar has the most extensive warranty coverage in the industry. We cover all products, parts, and labor with fewer exclusions than our competitors. Please see **Attachment D** for details.

- Do your warranties impose usage restrictions or other limitations that adversely affect coverage?

  We do not impose usage restrictions. We are pleased to say that our warranties cover defects in material and workmanship for the time specified in the policy when the equipment is used as per design intent.

- Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?

  The Caterpillar warranties cover the cost of replacement parts and the labor to install them, they do not cover travel time and mileage. Dealer territories vary considerably from state to state as do their policies about travel time and mileage during the warranty period.

- Are there any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell Members in these regions be provided service for warranty repair?

  We have no restrictions on warranty repairs. One of our key differentiating strengths is our ability to service equipment regardless of where is it located.

- Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?

  Warranty service for on machines ordered from a Caterpillar facility is generally provided by Caterpillar and performed by Cat dealers. Some items, such as tires, are covered under their manufacturers' warranties.

- What are your proposed exchange and return programs and policies?

  We warrant that upon delivery our products will be free from defects in material and workmanship and will operate as intended. If they are not, we will make any necessary corrections.

6) Describe any service contract options for the items included in your proposal.

We have a large variety of service contract options which can all be customized according to customer needs. Below are just two examples. More solutions are available, and we encourage members and dealers to explore all options.

1) Equipment Protection Plans (Extended Service Coverage/Cat Insurance)

   After the initial warranty period ends, members may choose to purchase additional protection plans to reduce their exposure to unplanned costs. These policies are written based on months and hours of operation. There are four standard levels of coverage:
   a) Powertrain
   b) Powertrain + Hydraulics

c) Powertrain + Hydraulics + Technology
d) Premier

A description of all these options is included in **Attachment E**.

**Important note:** The purchase price for these Extended Service Coverage plans is **lower** for governmental agencies than it is for private buyers.

2) Customer Service Agreements (CSAs)

A member may choose to enter into an agreement with their Cat dealer to perform routine maintenance and/or repairs. These contracts are customizable based on member needs.

The selling Cat dealer can take responsibility for some or all the required service and maintenance needs to allow the agency to gain efficiency by focusing on the performance demands more than maintenance. CSAs are a useful tool to manage expenses. Most CSAs are bundled at the time of purchase; however, they may be added at any time.

## Pricing, Delivery, Audits, and Administrative Fee

7) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.

We are offering the new machine and work tool product lines as set forth in this proposal. This includes nearly 200 machine choices and more than 200 types of work tools.

In addition to new machines and work tools, we are happy to offer members access to rental machines, used machines, parts, service, extended service coverage plans, CSAs, products from Cat Safety Services, sourced goods, and open market items.

We understand that each member's needs will vary, and we are proud to supply a complete solution from the industry's largest product line.

8) Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. (Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract. See the body of the RFP and the Price and Product Change Request Form for more detail.)

Our pricing model is simple. We offer a deep discount off the current machine and work tool list prices to all Sourcewell members.

We have provided base machine pricing in **Attachment F.** However, for execution of the agreement we will ask our dealers and Sourcewell members to use the Caterpillar price list that is current at the time of the quote. Dealers, in consultation with the member, will configure the machine to the desired specifications and apply the agreed upon stated minimum discount to that configured List Price amount. Dealers and members should remember to factor in any expected price increases if a machine will be built to order.

**Attachment G** shows the discount offered for each new machine.

Additionally, we are pleased to offer a discount of 15% off all products and consulting services under the Cat Safety Services Umbrella; and 5% off our Technology Enabled Safety Solutions.

9) Please quantify the discount range presented in this response. For example, indicate that the pricing in your response represents is a 50% percent discount from the MSRP or your published list.

Our discount range varies between 3% and 30%. It's important to note that discount comparisons between different machines cannot be considered an apple-to-apples comparison. Caterpillar product managers have broad leeway in product pricing, and there are some significant variations on pricing strategy. For example, a discount of 10% on Product A, may be equivalent to a 20% discount on Product B. The discounts offered to Sourcewell members are better than what is widely available to non-member/private purchasers.

10) The pricing offered in this proposal is

_____a. the same as the Proposer typically offers to an individual municipality, university, or school district.

_____b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.

__X__c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.

_____d. other than what the Proposer typically offers (please describe).

11) Describe any quantity or volume discounts or rebate programs that you offer.

Our dealers are empowered to consider purchase order volume, repeat purchases, member responsiveness, etc. They may offer members additional discounts and/or services at their discretion.

12) Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.

Sourced goods / Open Market Items are available to members from our Cat dealers. The prices for these goods or services will represent fair market value and will be determined between the member and the selling dealer. We encourage our dealers and members to use this option as it facilitates complimentary products and streamlines the procurement process.

Customers and dealers are responsible for including their Sourcewell member numbers on all documentation related to these purchases. Caterpillar Inc. is not a party to these sales and is exempted from including them in the quarterly reports. For audits, inclusion of a customer's Sourcewell member number on the PO and/or invoice shall be deemed sufficient.

13) Identify any total cost of acquisition costs that are **NOT** included in the pricing submitted with your response. This cost includes all additional charges that are not directly identified as freight or shipping charges. For example, list costs for items like installation, set up, mandatory training, or initial/pre-delivery inspection. Identify any parties that impose such costs and their relationship to the Proposer.

Machines are unique in their requirements for preparation prior to use. Some may require local final assembly due to their large size, others may have locally installed options (fire suppression, beacons, auto lube systems for example). When a dealer issues a quote for a machine, any additional costs will be itemized separately and are not subject to the Sourcewell discount.

14) If travel expense, delivery or shipping is an additional cost to the Sourcewell Member, describe in detail the complete travel expense, shipping and delivery program.

There is no additional cost to members who choose to pick up their machine from the Cat dealer. Dealers may charge fees for delivery to the member's location.

15) Specifically describe those travel expense, shipping and delivery programs for Alaska, Hawaii, Canada, or any offshore delivery.

Just as for members in the 48 contiguous states, there is no additional cost to members who choose to pick up their machine from their Cat dealer. Dealers may charge fees for delivery to the member's location.

16) Describe any unique distribution and/or delivery methods or options offered in your proposal.

Machines are large purchases and if there are unique member requirements our dealers will be happy to discuss on a case by case basis.

17) Please specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell.

We plan to continue our very robust process to ensure reporting speed, accuracy, and contract compliance.

Caterpillar and our Cat dealers have very close and trusting relationships. Our dealers are long-established, and the current process is working well.

- To ensure pricing accuracy, we maintain our current Sourcewell customer discount sheet on our dealer-facing pricing pages. Dealers integrate these numbers automatically in their quoting software.
- To ensure new machine and work tool sales are recorded properly, we use our post-sale credit system. In a nutshell, this means that we corporately support the pricing offered in this contract at a level below what's available to other customers. To receive this additional monetary support after the machine is delivered, dealers must supply the member's name, address, and member number. There is no additional burden or cost to our dealers to use the Sourcewell contract and this is part of the reason for their high engagement and our high reporting accuracy.
- After month end, we gather the new machine and work tool sales data attributed to Sourcewell and aggregate it for our reporting.
- After quarter end, we will send the quarterly sales report and administration fee payment to Sourcewell for all items that are subject to the administrative fee.

18) Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See RFP Section 6.29 and following for details.)

We would be pleased to offer an administration fee of 0.50% of net dealer revenue on the sales of new machines and work tools. Caterpillar will pay this fee and will not ask members or dealers to bear any additional burden.

**Industry-Specific Questions**

19) Describe any industry-specific quality management system certifications obtained by your organization.

Throughout the history of Caterpillar, we've produced reliable, durable products our customers have been able to count on for many years...if not decades. This reliability and durability is foundational to our brand. We measure ourselves on both defects and durability. Defects are issues that prevent a machine or any part of it from performing as intended within the first year of service. Durability is defined as the actual achieved life of a machine or component. We pride ourselves on leading the industry.

Specifically, as it relates to this question, the below list shows our current quality certificates:

03 - Thin Film Coating Center, Mossville (IL), USA - CQMS / ISO9001:2015 Certificate (Exp date: 09-Mar-2019)
05 - Caterpillar Global Machine Development - Peoria Proving Ground, Peoria (IL), USA - ISO17025:2005 (Expiry date 31-Jan-2021)
06 - Caterpillar Inc., Cast Metals Organisation, Mapleton (IL), USA - ISO9001:2015 (Expiry date 24-Apr-2021)
08 - Caterpillar Inc., - SOS Services Laboratory (Main Multi-site), Peoria, IL, USA - ISO9001:2015 (Expiry date 29-Nov-2020)
12 - Caterpillar Inc. - Matl Handling & Underground Div. (Aurora), Montgomery IL, USA ISO9001:2015 Certificate. (Exp: 23-Feb-2020)
13 - Caterpillar Inc.- Construction and Mining Equipment (HQ), Decatur (IL), USA - ISO9001:2015 Certificate. (Exp date: 26-Oct-2021)
16 - Caterpillar Inc. - East Peoria (Multi-Site - TTT), Tractor Drive, East Peoria (IL), USA - ISO9001:2015 Certificate (Exp: 30-Nov-2019)
28 - Caterpillar Brasil Limited, Campo Largo, Brasil - ISO9001:2015 (Exp date: 23-Jul-2020)
28 - Caterpillar Brasil Ltda., Piracicaba, Brasil - ISO9001:2015 Certificate (Exp date: 19-Mar-2021)
29 - Caterpillar Engine Systems Inc. (HQ), Pontiac (IL), USA - ISO9001:2015 Certificate (Exp date: 06-Aug-2019)
40 - Caterpillar Engine Systems Inc., Mossville (IL), USA - ISO9001:2015 Certificate (Exp date: 06-Aug-2019)
40 - Caterpillar Inc., Industrial Power Systems Division, Mossville (IL), USA - ISO9001:2015 Certificate (Exp Date: 17-Feb-2019)
40 - Caterpillar Inc., Industrial Power Systems Division, San Antonio (TX), USA - ISO9001:2015 Certificate (Exp Date: 17-Feb-2019)
40 - Caterpillar Inc., Industrial Power Systems Division, Schertz (TX), USA - ISO9001:2015 Certificate (Exp Date: 17-Feb-2019)
41 - Caterpillar Powertrain & Hydraulics - Systems Development, Mossville (IL), USA - ISO17025:2005 (Expiry date 31-Dec-2019)
41 - Global Engine Development - North America, Mossville, IL 61552, USA - ISO17025:2005 (Exp Date: 31-Aug-2019)
68 - Caterpillar Inc. (Remanufacturing Site-Specific Certificate), Corinth (MS), USA ISO9001:2015 Certificate (Expiry date 19-Jun-2020)
68 - Caterpillar Inc. Remanufacturing Services (HQ), Corinth, MS 38834, USA, ISO 9001:2015 (Exp Date: 19-Jun-2020)
7P - Perkins Motores Do Brasil LTDA, Curitiba, BRASIL - CQMS:2015 / ISO9001:2015 Certificate (Expiry date 05-Oct-2020)
88 - Caterpillar Inc. Lafayette Engine Center, Lafayette (IN), USA - ISO9001:2015 Certificate (Expiry date 04-Feb-2021)
89 - Caterpillar Mexico S.A. de C.V. (Monterrey), Nuevo Leon, Mexico 66350 - CQMS:2015/ISO 9001:2015 Certificate (Exp: 12-Jul-2019)
92 - Caterpillar Midwest Logistics Center (Champaign), Illinois - ISO 9001:2008 (Exp Date: 29-Jan-2018)
CF - Caterpillar Inc. (Remanufacturing Site-Specific Certificate), Nuevo Laredo (FINSA 1), Mexico - ISO 9001:2015 (Exp: 19-Jun-2020)
CF - Caterpillar Inc. (Remanufacturing Site-Specific Certificate), Nuevo Laredo (FINSA 3), Mexico ISO9001:2015 Certificate (Exp: 19-Jun-2020)
CF - Caterpillar Inc. (Remanufacturing Site-Specific Certificate), Nuevo Laredo (ORADEL), Mexico ISO9001:2015 Certificate (Exp. 19-Jun-2020)
CP - Caterpillar Global Machine Development - Tucson Proving Ground, Tucson (AZ), USA ISO17025:2005 (Expiry date 31-Jan-2020)
DQ - Caterpillar Inc. Building Construction Products Division, Clayton (NC), USA - ISO9001:2015 (Expiry date 06-Jul-2021)
FJ - Anchor Coupling (Menominee), Menominee (MI), USA ISO9001:2015 (Expiry date 22-Jan-2021)
HL - Caterpillar Inc. (Remanufacturing Site-Specific Certificate), Prentiss (Boonville - MS), USA ISO9001:2015 Certificate (Exp. 19-Jun-2020)
HP - Caterpillar Dyersburg, Tennessee - ISO9001:2008 Certificate. (Expiry date 14-Sep-2018)
HZ - Caterpillar Inc., Industrial Power Systems Division, Sequin (TX), USA - ISO9001:2015 Certificate (Exp Date: 17-Feb-2019)
JA - Caterpillar Inc. Building Construction Products Division, Sanford (NC), USA - ISO9001:2015 (Expiry date 06-Jul-2021)
JL - Caterpillar Inc. - Precision Pin Products Group, Sumter (SC), USA - ISO9001:2015 (Expiry date 22-Oct-2018)
JQ - Caterpillar Inc. Building Construction Products Division, Athens (GA), USA - ISO9001:2015 (Expiry date 06-Jul-2021)
LE - Caterpillar Inc., Griffin Generators, Griffin (GA), USA - ISO9001:2015 Certificate. (Expiry date 03-Mar-2021)
LS - All Caterpillar Newberry LLC Facilities - DNV ISO 9001:2008 (Exp Date: 15-Sep-2018)
M5 - Caterpillar Inc. Building Construction Products Division (HQ), Cary (NC), USA - ISO9001:2015 (Expiry date 06-Jul-2021)
MC - Caterpillar Inc. Building Construction Products Division, Torreon, MEXICO - ISO9001:2015 (Expiry date 06-Jul-2021)
N4 - Advanced Components and Technologies, Mossville (Il), USA - ISO 9001:2015 Certificate (Exp Date: 24-May-2019)
PE - Caterpillar Inc. (Remanufacturing Site Specific Certificate), West Fargo (ND), USA ISO9001:2015 Certificate (Exp: 19-Jun-2020)
PV - Perkins Shibaura Engines LLC, Griffin (GA), US ISO9001:2015 (Expiry date 31-Jan-2020)
QR - Caterpillar Global Mining - Houston PA - ISO 9001:2008 (Exp Date 15-Sep-2018)
R8 - Caterpillar Inc. / Paving Products / Minneapolis, (MN), USA - ISO 9001:2015 Certificate (Exp Date: 27-Nov-2020)
T3 - Solar Turbines Europe S.A. – Oil and Gas, Avenue de Finlande, Braine L'Alleud, Belgium - ISO 9001:2015 Certificate (Exp. 22-Sep-2020)
T3 - Solar Turbines Inc. (Packaging Systems Operations), San Diego (CA), USA - ISO9001:2015 (Expiry date 22-Sep-2020)
T3 - Solar Turbines Inc. (Power Generation), San Diego (CA), USA - ISO9001:2015 (Expiry date 22-Sep-2020)
T3 - Solar Turbines Inc. - Oil and Gas, 10203 Sam Houston Park Drive, Houston TX, USA - ISO 9001:2015 Certificate (Exp: 22-Sep-2020)
T3 - Solar Turbines Inc. - Oil and Gas, 9250 Sky Park Court, San Diego (CA), USA - ISO 9001:2015 Certificate (Exp Date: 22-Sep-2020)
T3 - Solar Turbines Inc. - Oil and Gas, 9280 Sky Park Court, San Diego (CA), USA - ISO 9001:2015 Certificate (Exp Date: 22-Sep-2020)
T3 - Solar Turbines Inc. - Oil and Gas, 9330 Sky Park Court, San Diego (CA), USA - ISO 9001:2015 Certificate (Exp Date: 22-Sep-2020)
T3 - Solar Turbines Inc. - Pkg Systems Operations (HQ), 4200 Ruffin Road, San Diego CA, USA - ISO 9001:2015 Certificate (Exp: 22-Sep-2020)
T3 - Solar Turbines Inc. - Pkg Systems Operations, Teran-Teran 20120 Int., Tijuana (BC), Mexico - ISO 9001:2015 Certificate (Exp: 22-Sep-2020)
T3 - Solar Turbines Inc. - Power Generation, 4180 Ruffin Road, San Diego (CA), USA - ISO 9001:2015 Certificate (Exp : 22-Sep-2020)
T3 - Solar Turbines Inc. - Turbofab, DeZavala Road, Channelview (TX), USA - ISO9001:2015 Certificate (Expiry date 23-July-2021)
T3 - Solar Turbines Inc., - Construction Services, Houston (TX), USA - ISO9001:2015 Certificate (Exp Date: 07-Jul-2021)
T3 - Solar Turbines Inc., - Desoto Overhaul Operations, Desoto (TX), USA - ISO9001:2015 Certificate (Expiry date 24-Aug-2021)
T3 - Solar Turbines Inc., Turbomachinery Prod, W Seattle Street, Broken Arrow OK, USA - ISO9001:2015 Certificate (Exp 03-May-2021)
T3 - Solar Turbines Inc., Turbomachinery Prod - Gas Compressors, Ruffin Road, San Diego (CA), USA - ISO9001:2015 Cert. (Exp 03-May-2021)
T3 - Solar Turbines Inc., Turbomachinery Prod - Gas Compressors, Sky Park Ct, San Diego (CA), USA - ISO9001:2015 Cert (Exp 03-May-2021)
T3 - Solar Turbines Inc., Turbomachinery Prod - Gear Systems / Superior Gear, Gardena (CA), USA - ISO9001:2015 Cert (Exp 03-May-2021)
T3 - Solar Turbines Inc., Turbomachinery Prod - Turbotec Bldg 1, Chilpancingo, Tijuana, B.C. Mexico - ISO9001:2015 Cert (Exp 03-May-2021)

T3 - Solar Turbines Inc., Turbomachinery Prod - Turbotec Bldg 2, Ciudad Ind Otay, Tijuana, B.C. Mexico - ISO9001:2015 Cert (Exp 03-May-2021)
T3 - Solar Turbines Incorporated, Mabank (TX), USA - ISO9001:2015 Certificate (Expiry date 04-Aug-2021)
T3 - Solar Turbines Switzerland Sagl, 6595 Riazzino, Switzerland - ISO9001:2015 Certificate (Expiry date 08-May-2018)
UD - Denison, TX -Caterpillar Global Mining LLC-ISO 9001:2008 (Exp Date: 03-Aug-2020)
UH - Caterpillar Acuna - Construction and Mining Equipment, Ciudad Acuna, Coahuila, Mexico - ISO9001:2015 Certificate. (Exp: 26-Oct-2021)
UH - Caterpillar Inc. - Acuna, Coahuila, MEXICO - ISO9001:2015 Certificate (Expiry date 26-Oct-2018)
UJ - Caterpillar - North Little Rock, North Little Rock (AR), USA - CQMS:2015 / ISO 9001:2015 Certificate (Exp Date: 05-Jun-2019)
XO - Anchor Coupling (Goldsboro), Goldsboro (NC), USA - ISO 9001:2015 (Exp date: 20-Dec-2018)
XY - Caterpillar Reynosa S.A. de C.V., Reynosa, Tamaulipas, Mexico - ISO9001:2015 Certificate (Exp date: 03-Oct-2020)
YP - Caterpillar Inc. (Remanufacturing Site-Specific Certificate), Franklin (IN), USA ISO9001:2015 Certificate (Expiry date 19-Jun-2020)
YV - Caterpillar Surface Mining and Technology, South Milwaukee (WI), USA - ISO9001:2015 (Expiry date 04-Jun-2021)
ZZ - Caterpillar Inc. - Advanced Components Manufacturing (Hydraulic Cylinders), Sumter (SC), USA - ISO9001:2015 Cert (Exp: 28-Mar-2020)

20) Describe any environmental management system certifications obtained by your organization.

We described our "green initiatives" more completely in Form A, Question 29. To be specific regarding ISO standards, we are listing here the plants that are certified to ISO 14001:2004 Environmental Management System:

Plants certified with ISO 14001:2004 Environmental Management System
Anchor Coupling - Goldsboro, NC - ISO 14001:2004 - Sept 2018
Anchor Coupling - Menominee - ISO 14001:2015 - Jan. 2021
Gen Sets - Newberry - ISO 14001:2004 - Nov. 2017
Mapleton - 14001:2004 self-certification - issued January 2013
Reman Services - Corinth, MS - ISO 14001:2015 - Sept. 2021
Reman Services - Franklin - ISO 14001:2004 - May 2017

21) Describe any preventive maintenance programs that your organization offers for the solutions you are proposing in your response.

Caterpillar understands the value to the customer of a well-defined preventive maintenance plan. Each machine we sell has very clear and detailed instructions for routine maintenance. We find that some customers prefer to do the maintenance themselves, others want our dealers to track and perform the service.

For customers who retain maintenance responsibilities, we have several tools available to facilitate that. As an example, My.Cat.Com makes it easy for customers to access critical information about their fleet.

STARTER CONNECTIVITY: If the customer purchases a machine with a factory-installed Product Link device, the customer will receive Cat Daily connectivity at no cost (for seven years on Building Construction Products machines; 12 years on Global Construction & Infrastructure machines). Cat Daily provides basic information once per day via My.Cat.Com or via a mobile app as described below.

My.Cat.Com users have access to:

- Equipment location
- Hours
- Diagnostic and operational events
- Fuel burn
- Dealer work orders
- Parts lists and Preventive Maintenance Checklists
- Parts ordering
- Safety service letters
- Rental documentation
- Warranty information

- Operation and maintenance manuals
- Preventive maintenance alerts and scheduling
- Cat Inspect outcomes
- S-O-S fluid analysis results

A subset of this information is also available in the Cat App: Fleet Management (IOS and Android).

In some situations, information available through My.Cat.Com provides an agency with sufficient data. But sometimes the equipment manager/public works director wants a more comprehensive view of their assets and/or the ability to manage an entire fleet. To meet that need, Caterpillar offers VisionLink—a powerful, flexible platform with enhanced capabilities, like customizable reports and notifications, that makes it easier to optimize productivity, manage assets and reduce costs.

ADVANCED CONNECTIVITY TRIAL: For any construction machine with a Product Link device, the customer will receive a six-month complimentary VisionLink Essentials trial. After the trial period ends, customers may elect to continue access at several different levels:

- **VisionLink Daily** – offers convenient, affordable, once-a-day telematics information. Ideal for customers who only need once-per-day reporting
- **VisionLink Basic** – provides basic asset management features including hour and location monitoring as well as geographic fencing and maintenance management. Recommended for machines that only report hours, where data updates and related features are needed more frequently than once per day.
- **VisonLink Essentials** – includes all the features of Basic plus health, utilization, and productivity features with frequent data updates. Ideal for customers needing up-to-date information about site operations, productivity, asset location, and operator performance, as well as timely notification of issues as they occur.

Another free app we offer is designed to help customers focus on safety and preventive maintenance. The "Cat Inspect" app offers multiple features geared to make regular machine inspections simple and useful.

- **Daily Walkaround** inspections are designed primarily for operators who are guided where to look on their particular machine and allows them to document and report any abnormalities.
- **Preventive Maintenance** inspections are more in-depth and are designed for customer or dealer technicians to inspect components for signs of wear and to ensure that all recommended preventive maintenance procedures are completed and recorded.
- **Technical Analysis** inspections are the most in-depth and are normally used once per year or when a machine is at the end of a customer's ownership period.

This app includes the ability to take pictures, make notes and complete and share inspections electronically. Inspection reports are also integrated into both My.Cat.Com and VisionLink, providing visibility to overall fleet health.

For customers who intend to rely on dealers for maintenance, they can schedule the work themselves as needed, or we propose a variety of CSAs (Customer Support Agreements). These are completely customizable, but we offer starting points for several levels with corresponding price points which vary by product.

- Customer performed preventative maintenance – the Cat dealer will provide the necessary parts per the maintenance schedule; the customer will do the work.

- Dealer performed preventative maintenance – the Cat dealer will handle basic preventative maintenance for any machine or group of machines to help keep scheduled downtime to a minimum.
- Component maintenance and repair agreement – the Cat dealer will take care of maintaining and servicing systems such as engines, transmissions, etc. to extend service resources and equipment life.
- Total maintenance and repair agreement – the Cat dealer covers service and maintenance for any one piece of equipment or the entire fleet. This agreement can include guaranteed availability and uptime.

Signature: Peter A Redpath Date: 3/13/19

**Quinn Company**

Post Office Box 226789
Los Angeles, California 90022-0489
562.463.4000 tel

August 23, 2018

City of Oxnard – Del Norte Recycling
111 S. Del Norte Blvd
Oxnard, CA 93033

To whom it may Concern,

This letter is to confirm that Quinn Company is the only Caterpillar authorized provider of service and parts within Ventura & Santa Barbara Counties.

If you need any additional information please feel free to contact us.

Respectfully,

Bill Craft
Store Manager

# Approve and authorize Purchase Order with Quinn Company (Caterpillar) for Heavy Equipment for the Del Norte Regional Recycling Transfer Station

Public Works and Transportation Committee Meeting
February 25, 2020

Todd Vasquez-Housley
Environmental Resources Division Manager

CITY OF OXNARD CALIFORNIA

## RECOMMENDATION

That the Public Works and Transportation Committee recommend City Council approve and authorize the Mayor to:

1. Execute a Purchase Order (PO) with Quinn Company (Caterpillar) in the amount of $1,207,903.39 for the supply of heavy equipment for the Del Norte Regional Recycling and Transfer Station (Del Norte); and

2. Approve the appropriation of funds in the amount of $1,207,904 from Environmental Resources operating fund balance (631) for the purchase of the heavy equipment.

2

## BACKGROUND

- May 5, 2014 - Six (6) units of new heavy equipment delivered to Del Norte
- January 1, 2019 - Two (2) units of heavy equipment removed due to statewide emission regulations
- Remaining heavy equipment units have approached end of useful life and require prompt replacement

3

## DISCUSSION

Cooperative Agreement – Sourcewell

- Leverages purchasing power through a nationally-vetted program
- Maximizes discounts based on economies of scale
- Convenient, local vendor with access to global resources
- Approved under City's Purchasing Policy

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## EQUIPMENT PURCHASE

| | | |
|---|---|---|
| 2 | Full-size Articulated Wheel Loaders | $795,623.78 |
| 1 | Compact Articulated Wheel Loader | $151,561.45 |
| 2 | Skid Steers | $154,408.16 |
| 1 | Fork Lift with Rotator Attachment | $56,957.00 |
| 1 | Fork Lift with Standard Fork Attachment | $49,353.00 |
| | Total Cost | $1,207,903.39 |

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## FINANCIAL IMPACT

- Total cost for equipment purchase: $1,207,903.39
- Budget appropriation request: $1,207,904 from Environmental Resources operating fund balance (631)
- Estimated remaining fund balance after this purchase is $24.2 million

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Questions?
CITY OF
OXNARD
CALIFORNIA

CITY OF OXNARD CALIFORNIA

**PUBLIC WORKS AND TRANSPORTATION COMMITTEE AGENDA REPORT**

**REPORTS**
**AGENDA ITEM NO. D.2**

**DATE:** February 25, 2020

**TO:** Public Works and Transportation Committee

**FROM:** Rosemarie Gaglione, Public Works Director, (805) 385-8055, rosemarie.gaglione@oxnard.org

**SUBJECT:** Update of Wastewater Division Capital Improvement Projects. (15/5/5)

## RECOMMENDATION

That the Public Works and Transportation Committee receive a presentation on the Wastewater System Capital Improvement Program.

## BACKGROUND

In 2014, the Public Works Department began a multi-year Integrated Master Plan (PWIMP) project that included an evaluation of the wastewater, water, and recycled water system infrastructure. The scope of the project included:

1. Review of existing design, construction and operation data
2. Condition assessment
3. Alternatives analysis
4. Cost estimating
5. Recommended plan

The primary discovery of the condition assessment was that 80% of the wastewater assets were rated to be in a "fair" or worse condition. As a result of the deteriorating condition of the facilities and equipment, a 10-year capital improvement program (CIP) was recommended. The proposed CIP was planned in three (3) phases over a 10-year period. The three (3) phases included:

Phase 1 (years 1 to 2) – Emergency Repairs
Phase 2 (years 3 to 5) – Reliability Improvements
Phase 3 (years 6 to 10) – Long Term Modernization

The PWIMP was finalized in September 2017. The following table identifies the estimated costs for Phases 1 and 2.

| | Years 1-2 | Years 3-5 | Total |
|---|---|---|---|
| **Wastewater Treatment Plant** | $5,215,000 | $46,664,998 | $51,879,998 |

| | | | |
|---|---|---|---|
| **Wastewater Collection System** | $1,690,000 | $13,130,066 | $14,820,066 |
| **Vehicles & Equipment** | $1,165,500 | $895,000 | $2,060,500 |
| **Consulting - Design** | $1,500,000 | $8,630,000 | $10,130,000 |
| **Total** | $9,570,500 | $69,320,064 | $78,890,564 |

In 2017, a cost-of-service rate study was completed that addressed operation, maintenance and estimated capital costs for the first five (5) years of the proposed CIP. The results of the rate study recommended annual rate increases starting in 2017 and continuing through 2021. In February, 2017, the City conducted Utility Ratepayers Advisory Panel (URAP) meetings as part of the State's Proposition 218 process and, in May of 2017, the City adopted the new rate ordinance that included funding for the first two (2) phases (years 1 to 5) of the CIP.

**DISCUSSION**

**Emergency Repairs Projects (Phase 1 - years 1 to 2)**

In September 2018, following the completion of the final project designs, the City released bids for the Emergency Repairs projects. In February 2019, GSE Construction Company (GSE) was awarded the Emergency Repairs contract and began work on the following projects:

- Biotower Structural Stabilization
- Chemically Enhanced Primary Treatment (CEPT) facility
- Laboratory Heating, Ventilation and Air Conditioning (HVAC) Replacement
- Solids Processing Building Rehabilitation
- Primary Clarifier Rehabilitation

As of December of 2019, GSE had completed the Biotower Structural Stabilization, CEPT Facility, HVAC Replacement, and Solids Processing Building Rehabilitation portions of the contract. The final project, Primary Clarifier Rehabilitation, is in progress and scheduled for completion in June 2020.

The Cogeneration Engine Refurbishment project was bid separately in two (2) phases in 2018 and 2019, respectively. Both phases were awarded to GI Endurant, LLC, (GIE). The projects were completed in January 2020.

**Reliability Improvements Projects (Phase 2 - years 3 to 5)**

In December 2017, AECOM was contracted to complete the final design of the Phase 2 Wastewater Treatment Plant CIP projects. These projects include (in no particular order):

1. New Electrical Building and Backup Generator
2. Electrical Equipment Replacement
3. Headworks Rehabilitation and Odor Control Improvements
4. Primary Clarifier Rehabilitation
5. Aeration System Rehabilitation
6. Site Security Improvements
7. Digester Rehabilitation
8. Pump Station Rehabilitation

9. Site Piping Replacement
10. New Maintenance Storage Building
11. New Supervisory Control and Data Acquisition System (SCADA)

Designs for all of the projects have been completed and are currently progressing through plan check and permitting. It is anticipated that they will be released for bidding by July 2020.

**Remaining CIP Components**

Wastewater Collection System projects – There were a total of 15 projects identified in the PWIMP to be completed in the first five (5) years. To date, the Devco Lift Station (Lift Station 23) has been completed. The remaining projects are in the engineering phase or programmed in the city's 5-year CIP.

Vehicles and Equipment – The following vehicles and equipment will be purchased this year: sewer cleaning vehicle, sewer video/camera inspection vehicle, portable emergency generator, roll-off truck and solids handling truck. The remaining vehicles and equipment identified for replacement will be purchased or leased in the next two (2) years.

Consulting – The purpose of the consulting budget is to complete the required preliminary and final design for the Phase 3 (years 6 to 10) – Long Term Modernization - portion of the improvements. A Request for Proposal is in progress and should be ready for release by winter 2020.

**Funding**

Concurrent with the design and construction activities, the Wastewater Division has been working with the Finance Department to develop a funding plan for all projects. The goal of the funding plan is to identify and secure the most advantageous use of money available. As a result the following funding plan has been identified:

Phase 1 – Emergency Repairs projects paid for from fund balance (cash) – $7.4M

Phase 2 – Reliability Improvements will utilize a low interest loan from the state of California, and a combination of grants as follows:

- $9.5 Million – State grant for repairs at the wastewater treatment plant (awarded)
- $59,875 – Federal Emergency Management Agency (FEMA) grant for portable backup generator (awarded)
- $66.7 Million – Clean Water State Revolving Fund (SRF) low interest loan (~2%) (selected pending award)
- $3.2 Million – FEMA grant for new electrical building (FEMA decision pending)
- $1.9 Million – FEMA grant for reconstruction of central trunk sewer under railroad (FEMA decision pending)

**STRATEGIC PRIORITIES**

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to establish, preserve and improve our infrastructure and natural resources through effective planning, prioritization, and efficient use of available funding. This item supports the following goals and objectives:

Goal 4. Ensure proper construction and maintenance of infrastructure to provide maximum benefit with lowest life cycle cost following CIP plans.

Objective 4a. Implement CIP plans. Objective 4b. Catch up on deferred maintenance for City facilities.

## FINANCIAL IMPACT

There is no direct financial impact from this update report. For the Wastewater CIP itself, the projected total 5-year cost of $78.9 million is covered by a possible $88.8 million of identified funding sources.

*Prepared by: Thien Ng, Assistant Public Works Director*

## ATTACHMENTS

1. Wastewater CIP PowerPoint pdf

# Update of Wastewater Capital Improvement Program

Public Works and Transportation Committee
February 25, 2020

Jan Hauser
Wastewater Division Manager

CITY OF OXNARD CALIFORNIA

## RECOMMENDATION

That the Public Works and Transportation Committee receive a presentation on the Wastewater System Capital Improvement Program.

2

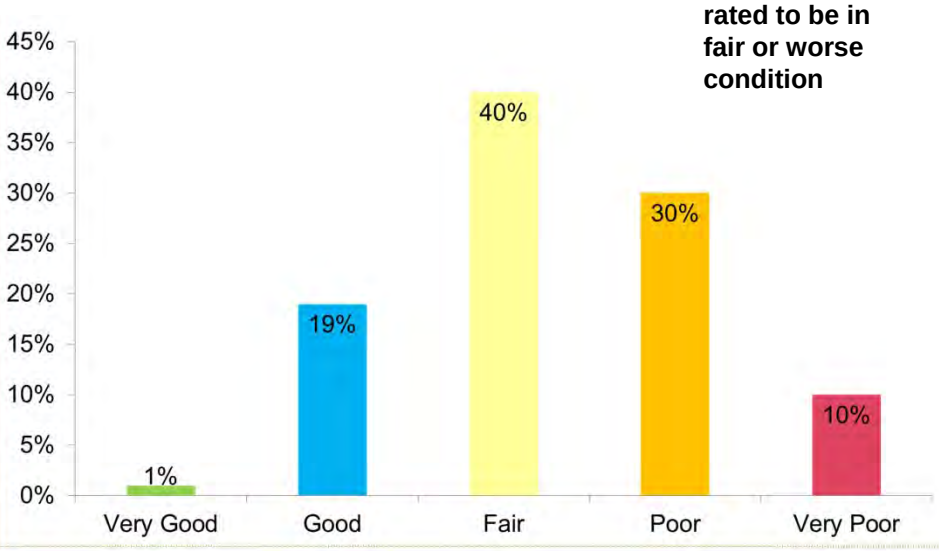
## BACKGROUND

- Public Works Department began a multi-year Integrated Master Plan Project in 2014
- Scope included
  - Review of existing design, construction, and operations data
  - Condition assessment of existing facilities
  - Alternatives analysis
  - Cost estimating
  - Recommended plan

3

## CONDITION ASSESSMENT RESULTS

**80% of assets rated to be in fair or worse condition**



## BACKGROUND

Recommendations

- 10-Year Capital Improvement Program
  - Years 1 to 2 – Emergency Repairs
  - Years 3 to 5 – Reliability Improvements
  - Years 6 to 10 – Long Term Modernization
- Rate study completed in 2017 incorporated costs for first 5 years of recommended program
- Required annual rate increases through 2021

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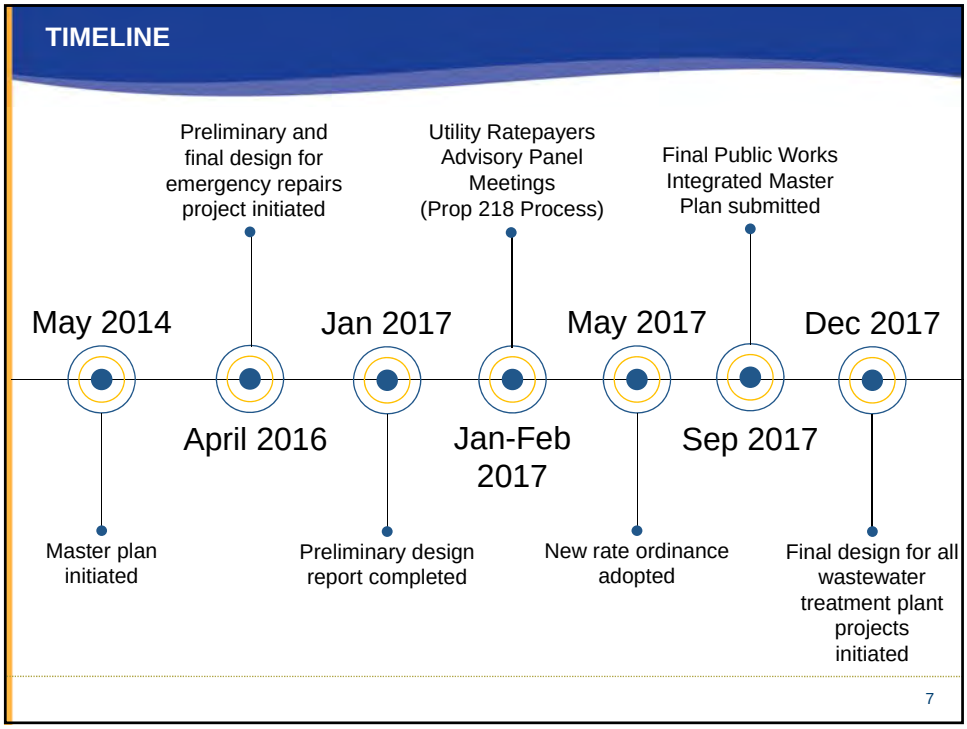
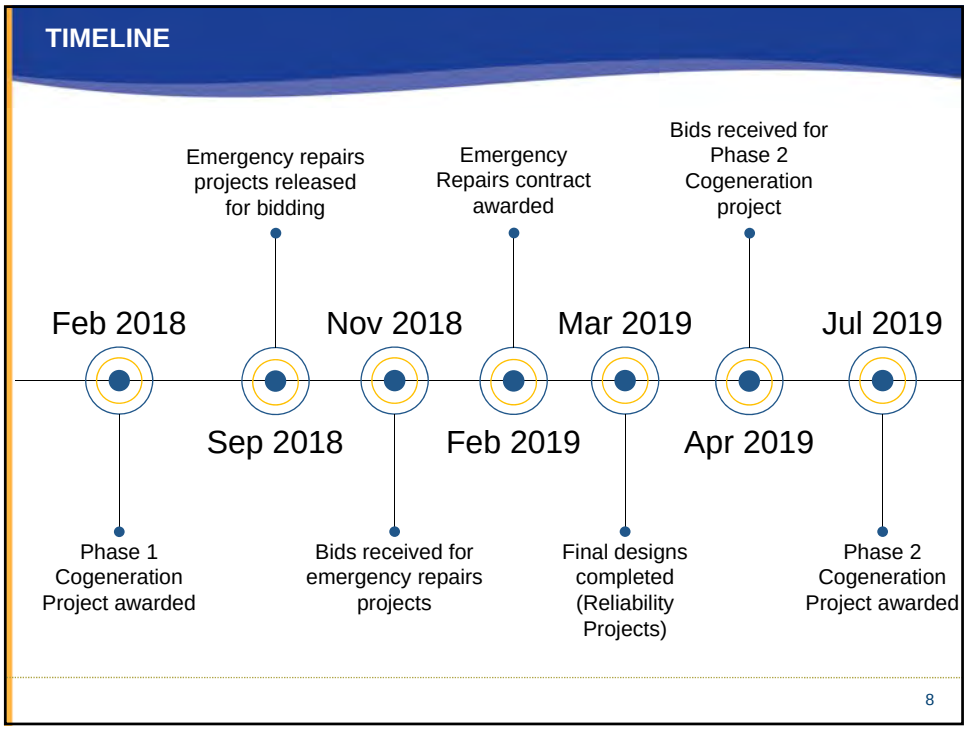
## CAPITAL COST ESTIMATES

| Project | Estimated Cost* |
|---|---|
| Wastewater Treatment Plant Projects | $51,879,998 |
| Collection System Projects | $14,820,066 |
| Vehicles & Equipment | $2,060,500 |
| Consulting | $10,130,000 |
| **TOTAL** | $78,890,564 |

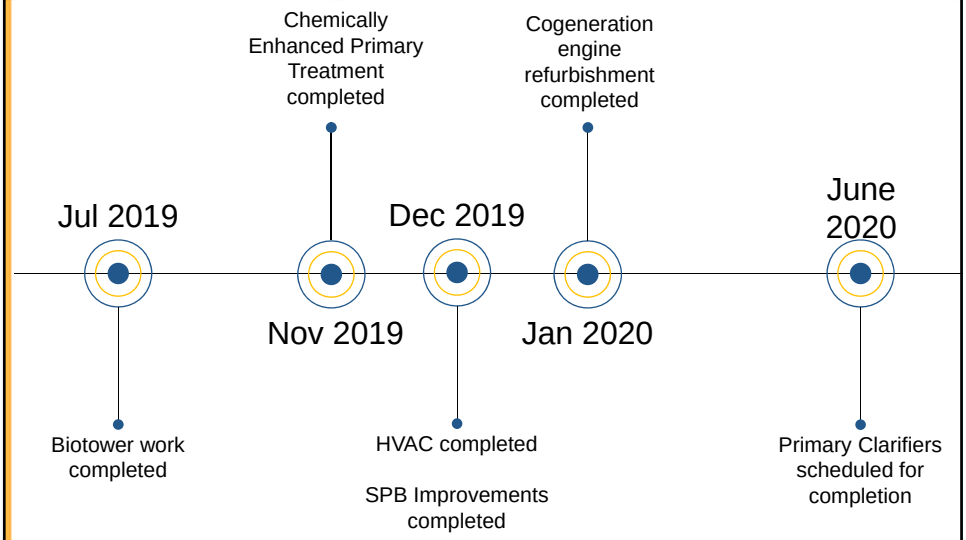
*5 Year Capital Improvement Program in 2017 dollars

6


TIMELINE
Preliminary and final design for emergency repairs project initiated
Utility Ratepayers Advisory Panel Meetings (Prop 218 Process)
Final Public Works Integrated Master Plan submitted
May 2014
April 2016
Jan 2017
Jan-Feb 2017
May 2017
Sep 2017
Dec 2017
Master plan initiated
Preliminary design report completed
New rate ordinance adopted
Final design for all wastewater treatment plant projects initiated
7


TIMELINE
Emergency repairs projects released for bidding
Emergency Repairs contract awarded
Bids received for Phase 2 Cogeneration project
Feb 2018
Sep 2018
Nov 2018
Feb 2019
Mar 2019
Apr 2019
Jul 2019
Phase 1 Cogeneration Project awarded
Bids received for emergency repairs projects
Final designs completed (Reliability Projects)
Phase 2 Cogeneration Project awarded
8

## EMERGENCY REPAIRS PROJECTS COMPLETION TIMELINE

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## OWTP PROJECTS - PHASE 1

Emergency Repairs - Years 1 to 2

- Completed:
  - Cogeneration Engine Refurbishment
  - Laboratory HVAC Replacement
  - Biotower Structurally Stabilized
  - Solids Processing Building Rehabilitation
  - Chemically Enhanced Primary Treatment
- In Progress:
  - Primary Clarifier Rehabilitation

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## BIOTOWER: BEFORE

11

## BIOTOWER POWER WASH

12

## BIOTOWER COMPLETED

13

## CHEMICALLY ENHANCED PRIMARY TREATMENT FACILITY

14

## CHEMICALLY ENHANCED PRIMARY TREATMENT FACILITY

15

## CHEMICALLY ENHANCED PRIMARY TREATMENT FACILITY

16

## LABORATORY HVAC

17

## LABORATORY HVAC

18

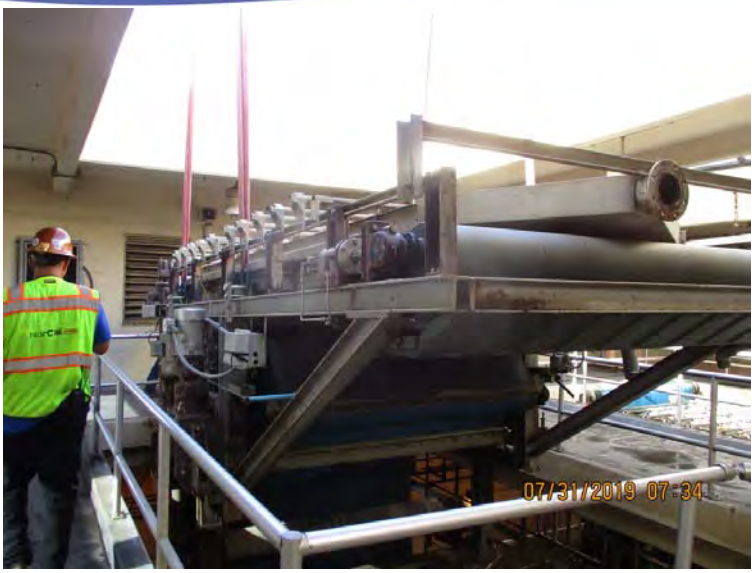
## LABORATORY HVAC

19

## LABORATORY HVAC

20

## SOLIDS PROCESSING REHABILITATION

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## SOLIDS PROCESSING REHABILITATION (VIDEO)

22

## SOLIDS PROCESSING REHABILITATION

23

## SOLIDS PROCESSING REHABILITATION (VIDEO)

24

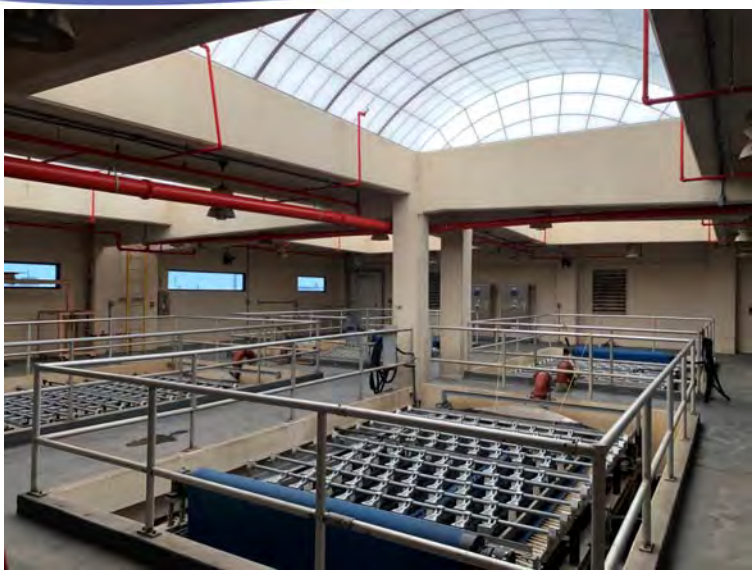
## SOLIDS PROCESSING REHABILITATION (VIDEO)

25

## SOLIDS PROCESSING REHABILITATION

26

## SOLIDS PROCESSING REHABILITATION



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## CO-GENERATION ENGINE REFURBISHMENT

28

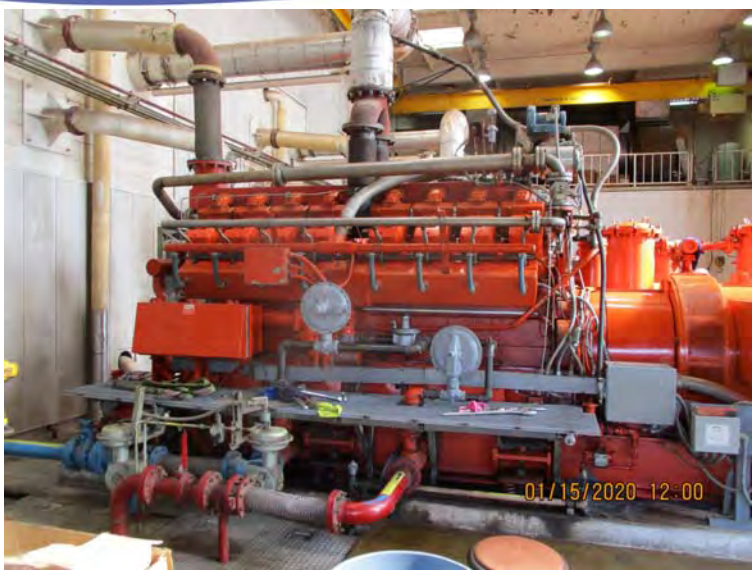
## CO-GENERATION ENGINE REFURBISHMENT

29

## CO-GENERATION ENGINE REFURBISHMENT

30

## CO-GENERATION ENGINE REFURBISHMENT

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## PRIMARY CLARIFIER REHABILITATION

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## PRIMARY CLARIFIER REHABILITATION

33

## PRIMARY CLARIFIER REHABILITATION

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## PRIMARY CLARIFIER REHABILITATION

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## OWTP PROJECTS - PHASE 2

Reliability Improvements - Years 3 to 5

- New Electrical Building and Backup Generator
- Electrical Equipment Replacement
- Headworks Rehabilitation and Odor Control Improvements
- Primary Clarifier Rehabilitation
- Aeration System Rehabilitation
- Site Security Improvements
- Digester Rehabilitation
- Pump Station Rehabilitation
- Site Piping Replacement
- New Maintenance Storage Building
- New Supervisory Control and Data Acquisition System (SCADA)

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## OWTP PROJECTS

Phase 2 Status

- All project designs completed
- Currently responding to plan check comments
- Anticipated advertisement for bid July 1, 2020
- Construction expected to take 2 years

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## OLD ELECTRICAL SYSTEM

38

## EXISTING EMERGENCY GENERATORS (VIDEO)

39

## EXISTING STORAGE BUILDING

40

## NEW ELECTRICAL BUILDING

41

## DIGESTER COVER

42

## DIGESTER COVER

43

## HEADWORKS

44

## SITE PIPING

45

## ONGOING WORK

- Collection System Projects
  - Devco Lift Station #23 (completed)
  - Manhole Rehabilitation
  - Chemical Addition Stations
  - Sewer Improvements
- Vehicles and Equipment
  - Sewer Cleaning Vehicle
  - Camera Truck
  - Emergency Portable Generator
  - Additional Equipment
- Professional Services
  - Request for proposal anticipated winter 2020

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## FUNDING

- Credit rating
  - Bond rating upgraded from “BBB” to “A-”
- Refinanced existing debt
  - Annual cash flows savings ($99,426)
- Phase 1 Emergency Repairs projects
  - $7.4 Million from fund balance (cash)

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## FUNDING

Phase 2 Reliability Projects:

- $16 Million Unrestricted Wastewater Fund Balance (2019 CAFR)
- $9.5 Million State Grant (awarded)
- $59,875 Federal Emergency Management Agency (FEMA) grant for portable backup generator (awarded)
- $66.7 Million Clean Water State Revolving Fund (SRF) low interest loan (~2%) (selected pending award)
- $3.2 Million FEMA Grant for new electrical building and emergency generator (FEMA decision pending)
- $1.9 Million FEMA Grant for reconstruction for central trunk sewer under railroad (FEMA decision pending)

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QUESTIONS?
CITY OF
OXNARD
CALIFORNIA

CITY OF OXNARD CALIFORNIA

**PUBLIC WORKS AND TRANSPORTATION COMMITTEE AGENDA REPORT**

**REPORTS**
**AGENDA ITEM NO. D.3**

**DATE:** February 25, 2020

**TO:** Public Works and Transportation Committee

**FROM:** Rosemarie Gaglione, Public Works Director, (805) 385-8055, rosemarie.gaglione@oxnard.org

**SUBJECT:** Amending Enterprise Fleet Management Agreement and Restructuring of Fleet Services Division. (15/5/5)

## RECOMMENDATION

That the Public Works and Transportation Committee recommend that the City Council:
1. Approve and authorize the Mayor to execute a first amendment to Agreement A-8136 with Enterprise Fleet Management, Inc. (Enterprise) that increases the current agreement value by $3,425,000 (from $675,000 to $4,100,000) and extends the term by three and a half years through December 1, 2025;
2. Authorize Public Works Fleet Services Division to enroll approximately 375 city-owned vehicles into Enterprise's Maintenance Management Program and all new leased or City owned vehicles that qualify for the program;
3. Eliminate three (3) staff positions from Fleet Services Division; and
4. Authorize all City departments to utilize current vehicle replacement funds for leasing or future leasing.

## BACKGROUND

***Executive Summary:*** *Vehicles and equipment have historically been purchased and owned by the City of Oxnard (City). The City maintains 917 fleet vehicles and equipment for use by all City departments which include light, medium and heavy-duty vehicles. Because most of our Fleet is aging and the City doesn't have the adequate funding for vehicle replacement, staff is doing more maintenance, which is not cost effective. In some cases we have spent more staff time and City funds maintaining a vehicle than its original purchase price. To reduce costs and increase both efficiency and safety, staff researched leasing options and determined that the implementation of a leasing and maintenance program can reduce operating costs (maintenance, repairs, fuel and staffing).*

*Currently, only the Police Department is leasing vehicles. Water, Wastewater, Fire and Environmental Resources have adequate funding to purchase vehicles this fiscal year, however, they have put off purchasing vehicles in order to take advantage of the benefits of leasing. The cost of an annual lease on a given vehicle can range from approximately $5,400 to $8,400. However, unique vehicles such as a Water Distribution Truck, for example, will likely cost more due to the specialized components and makeup of the vehicle. The anticipated savings from the monthly administrative fees can also be used to lease vehicles. Departments that currently have vehicle replacement funds can use these funds to lease vehicles if approved. Departments will be required to have enough funding to lease a vehicle for five years.*

The expansion of the current leasing program will offer the City the ability to have more modern vehicles with newer technology and safety features. Furthermore, leasing vehicles will create uniformity and standardize the City's fleet. The City's current fleet of vehicles often operate well beyond their economical life span with 80% of vehicles being over ten (10) years old. Due to the low annual mileage, the City fleet operates vehicles 14.3 years on average, resulting in increased repair, maintenance and fuel costs. To reduce overall costs, staff has researched a lease and maintenance program with Enterprise and have found this to be a better approach that will reduce costs, increase efficiency and enhance the overall safety of the City's fleet. It is also a cost effective way to add more hybrids and/or electric vehicles to our fleet, in order to save on fuel and reduce the City's contribution to greenhouse gases.

An added benefit of using Enterprise in particular, is the opportunity to reduce our administrative costs for each City department. Currently, the administrative cost for a City vehicle is $97.01 per month. Enterprise can perform this function for $6.00 per vehicle per month. Annual savings in the administrative fee alone will be almost $410,000. This does not include savings in personnel costs or other efficiencies.

One cost savings that staff was unable to quantify without a lengthy analysis, is the loss of productivity when a vehicle goes to the City garage for an oil change. Vehicles can be in the shop for a full day or more, depending on the current workload. With Enterprise, the employee assigned to a vehicle would simply drive that vehicle to a shop that specializes in oil changes (a Jiffy Lube style shop), and be back on the job quickly. Finally, with the City garage, the City is paying for all of the overhead, including City benefits and many of the tools. When vehicles are sent to a private garage, the City is only paying for that portion of the overhead directly attributable to the time that one of our vehicles is being worked on. All the shops that will repair City vehicles will be located in the City of Oxnard, which will keep tax dollars local and provide our residents with jobs.

While there are many things that government should do, there are some things that the private sector can do more affordably and efficiently than government. In these instances, it is important that the City make the choice to be efficient and save taxpayer and ratepayer dollars by appropriately segregating work that is better performed by City employees from work that is better performed by the private sector.

Over the last eight (8) years, the Police Department has used the Enterprise lease program for unmarked vehicles, which allows the Department to lease vehicles with zero money down, provides reasonable monthly payments and the allows for the option to include maintenance. Due to budget constraints over the past several years, which included deferred vehicle purchasing, the Police Department continues to use Enterprise to replace aging vehicles with new, more efficient ones. The most recent agreement with Enterprise is a three (3) year agreement (A-8136) which was approved by City Council in July 2019 (Agreement).

The original Agreement was sought under a "piggyback" request for proposals through Sourcewell, a public cooperative that combines the buying power of more than 50,000 government, education and nonprofit organizations. Sourcewell holds hundreds of competitively solicited cooperative contracts ready for use through its nationwide competitive solicitation efforts. Sourcewell released a request for proposals (#060618-EFM) on June 7, 2018, advertising a nationwide solicitation, including the states of California, Oregon, Utah, and Minnesota. Canada was also included. Sourcewell received six responses to its RFP, and Enterprise Fleet Management scored the highest. The contract is valid through July 24, 2022, however, Enterprise will be renewing this contract in 2020.

The City currently does not fund or have a comprehensive vehicle replacement program. In 2002, staff updated the City's Vehicle Purchasing Policy which was intended to guide the replacement of vehicles. Below is an outline of the criteria for determining if a vehicle is eligible for replacement.

1. **Safety** - The Fleet Services Manager's primary objective is to ensure the safety of employees using City vehicles. If the Fleet Services Manager deems it unsafe for employee use, it will be designated for replacement.

2. **Cost of Repair or Operation** - When it is determined by the Fleet Services Manager that it is no longer cost-effective to retain a particular vehicle, it will be designated for replacement.

3. **Department Requirements** - If the functions and operations of a department change, their transportation vehicle needs may change as well. If the type of vehicle assigned to a department no longer meets the department's operational requirements, the Fleet Services Manager will seek an alternative assignment for the vehicle. If no assignment is possible, the vehicle will be designated for replacement.

4. **Age and Mileage** - The following guidelines for age and mileage, as well as repair history and overall mechanical condition, will be used in considering the replacement of vehicles:

| Vehicle Type | Mileage | Age of Vehicle in Years |
|---|---|---|
| Passenger Cars | 120,000 | 15 |
| Pickup Trucks or Vans | 120,000 | 15 |
| Light Duty Trucks | 120,000 | 15 |
| Police Cars | 100,000 | 4 |

Although the City has a Vehicle Purchasing Policy (Exhibit A), funding has not been adequately identified through budget cycles over the years resulting in the inability to allow for the implementation of a legitimate replacement policy. As a result, purchasing vehicles outright requires a substantial cash outlay. Staff's analysis concludes that fully funding a maintenance program for existing vehicles, as well as supporting a structured and methodical vehicle replacement program, could be best achieved through leasing vehicles instead of purchasing them and outsourcing the maintenance. Staff will be updating the vehicle replacement policy during the first year of the agreement with Enterprise.

**DISCUSSION**

At the Public Works and Transportation Committee on January 28, 2020, recommendation No. 2, amendment to the agreement value was $2,500,000; however, this dollar amount did not include the $1,600,000 for two years estimated cost of maintenance for vehicles to be enrolled into the Maintenance Management Program. (This estimate is based on the current cost of maintenance at the City garage). The additional $1,600,000 includes two years of maintenance in this agreement as we evaluate the Maintenance Management Program with Enterprise. There are adequate funds in each department for vehicle maintenance; there is no additional appropriation being requested). Maintenance costs for vehicles are budgeted annually.

Fleet Services (Fleet) currently maintains and manages the City's 917 vehicle and equipment fleet, valued at over $42 million. This includes in-house preventative maintenance and comprehensive inspection, as well as performing light to heavy repairs. Fleet is also involved in the procurement process and disposition of City vehicles, including vehicle selection, specifications, outfitting and obtaining bids. Fleet staffs 28 Full-Time

Equivalent (FTE) employees, 21 of whom are Mechanics.

Without a replacement program and adequate funding, the City fleet continues to age with most of the fleet vehicles approaching, or are well beyond their useful and/or economical lives. Some of these vehicles lack modern safety devices, have reduced fuel efficiency and cost more to maintain and operate with each passing year. As a result, there are many vehicles that need to be replaced to ensure the City's fleet remains safe and efficient, while mitigating increasing repair and maintenance costs.

In order to ensure that the City maintains a safe, reliable fleet while at the same time remaining fiscally prudent as new and replacement vehicles are acquired, staff has been working with Enterprise to determine the feasibility of the City entering into a vehicle leasing and maintenance program. Enterprise offers public agencies the opportunity to lease and manage fleet vehicles and take advantage of the processes and systems that Enterprise has put in place to efficiently manage over two million rental vehicles in a cost effective manner. Enterprise currently has agreements with the Cities of Pasadena, Westminster, Inglewood, Corona, Barstow, Palm Desert, Laguna Niguel, Dana Point, Downey, Murrieta, Azusa, San Marcos, and a number of other cities and school districts. Enterprise has earned the National Institute for Auto Service Excellence's Blue Seal of Excellence Award each year for twenty (20) consecutive years. Through their fifty (50) local offices and teams of over 350 sales professionals, Enterprise provides service to members across the United States.

MAINTENANCE

The lease cycle for most vehicles is typically 60 months. Utilizing Enterprise to establish a vehicle lease program will provide a consistent preventative maintenance cycle and reduce repair expenses, potential downtime and fuel costs. It is important to note that when certain vehicles are "down" for repair, the employees assigned to those vehicles are not able to perform their normal field duties. The cost of this inefficiency is difficult to quantify, but is likely significant.

The proposed lease for these vehicles will be an "Open Ended (Equity)" Lease, which means that at the end of the lease cycle the City will have the option to continue using the vehicle in the fleet or exchange the equity in the vehicle for a new replacement vehicle in a renewed lease (likely at a lower cost due to equity transfer). Enterprise will also provide a maintenance program for City owned vehicles for a low, fixed monthly fee of $6.00 per vehicle, which also includes 24-hour roadside assistance. (In 2019 the City spent approximately $10,000 either for towing or providing roadside assistance for vehicles that would be eligible for the Enterprise program). Maintenance is outsourced to local vendors and repairs are then billed back to the City based on work performed.

Enterprise has existing relationships with a network of preventative maintenance and repair facilities across the nation, including shops in Oxnard. Enterprise is committed to adding more local repair shops so that all of the money spent on maintenance will remain in Oxnard. These shops have access to proprietary software provided by Enterprise that will transfer maintenance invoices and repair estimates into the Enterprise Fleet Management Software that the City will use to manage the fleet. Staff will also have access to an Enterprise call center that is staffed with Automotive Service Excellence (ASE) certified mechanics who can review repair estimates to ensure the prices quoted for parts and labor are consistent with nationwide standards for repair costs.

The Enterprise Fleet Management Software will allow staff to view individual vehicle life cycle costs and maintenance records in one location and view critical data on dashboards that can be customized. The software has a companion application that staff can use to check out pool vehicles, record mileage, request location of local shops, schedule repairs and get roadside assistance.

LEASING

Enterprise offers a wide array of vehicle acquisition and leasing methods for vehicles under 25,000 pound Gross Vehicle Weight (GVW) which is the total weight of a vehicle including the driver, passenger and cargo placed in or secured on top of the vehicle. This typically consists of light to medium duty vehicles. It also has services for account management, vehicle maintenance and a option for telematics vehicle data. Telematics is a method of monitoring a vehicle via GPS with on-board diagnostics that can map exactly where a vehicle is and how fast it is traveling. Our research supports the conclusion that utilizing a vehicle leasing and maintenance program, as well as supporting a structured and methodical vehicle replacement program will best be achieved through leasing light-duty fleet vehicles rather than purchasing these vehicles outright. The City currently has approximately 375 eligible vehicles that can be immediately enrolled in Enterprise's Maintenance Management Program (MMP). Of these vehicles, 256 are over 10 years old and 35 of these vehicles are over 20 years old. The table below details the number of vehicles put into service according to age:

| Vehicle Age | Number of Vehicles |
|---|---|
| 1 to 5 years | 65 |
| 6 to 10 years | 64 |
| 11 to 15 years | 136 |
| 16 to 20 years | 97 |
| 21 - 30 years | 13 |
| Average age of vehicle | 14.33 years |

Enterprise will cover all maintenance costs and expenses incurred in connection with the maintenance or repair of new leased vehicles during the term of the Agreement at minimal monthly cost, ranging from $75-$90 per vehicle depending on the type. The new leased vehicles enrolled in Enterprise's MMP include preventative maintenance and unscheduled maintenance, as well as maintenance related to towing, and includes two sets of brakes and four tires. Expenses such as fuel costs and cost of repair as a result of lack of maintenance by the City between scheduled services would not be covered as part of the agreement.

The 375 City-owned vehicles that are eligible to be transferred into the Enterprise's MMP will incur a monthly administrative fee for the program of $6.00 per vehicle, as opposed to the administrative fee of $97.01 per month that Fleet currently charges. Maintenance or repair costs will be invoiced to the City. Expenses, such as fuel costs, oil and fluid changes between designated (factory recommended) service intervals, tire repair and replacement, would not be covered as part of the proposed Agreement. All necessary leased vehicle service and repairs would be completed by one of the participating and authorized (by Enterprise) repair and service centers in the City of Oxnard. A complete list of shops can be seen in Exhibit B. Enterprise has committed to adding more shops in Oxnard when requested.

Amending the current Agreement will allow for the disposition of vehicles by Enterprise, with profits (equity) to return to the City or to be used as credit toward the leasing of a replacement vehicle. As funding becomes available, City staff will determine operational needs and consider leasing vehicles from Enterprise as appropriate. The lease option will allow Fleet to dispose of vehicles and procure vehicles at a more affordable monthly rate. The leasing of vehicles should result in cost savings and fleet enhancements over purchasing. With regard to the City's fleet maintenance needs, it is proposed that the new leased vehicles be maintained through Enterprise's MMP.

Leased vehicles will be delivered to dealerships in the City of Oxnard so that the business and tax benefits will

remain in the City.

Enterprise's open-end lease option will provide for a proactive replacement strategy, appropriate vehicle selection, an appropriate funding structure and assistance with annual budget planning. City staff will evaluate the program annually, taking into consideration factors such as level of service, cost, customer service, vehicle needs, maintenance time and other key aspects. Under Enterprise the following administrative, operational and financial benefits are included:

**Administrative**

- Enterprise will be title holder until term for vehicle management services
- Enterprise will retain secure title for easy resale

Enterprise will provide:
- Automatic license and registration servicing
- Toll and ticket management
- Access to maintenance website
- Local account team for day-to-day services

**Operational**

- Enterprise will coordinate logistics for moving vehicles in and out of service

Enterprise will provide:
- Aftermarket and decal services
- Safety recall management
- Access to fuel programs
- Telematics offerings (additional fee)
- Mobile application for drivers to access for all vehicle operation needs

**Financial**

- Enterprise will research best vehicle options and benefits from our negotiated buys for acquisition
- Equity from the sale of a vehicle can then be used as a credit toward future vehicles

Enterprise will provide:
- Vehicle incentive management
- Access to Enterprise re-marketing services for maximum resale
- ASE certified mechanics and techs to manage maintenance expense
- Gold certified claim handling for lower accident repair costs

**Additional Benefits**

- Leasing will optimize cash flow
- Allow the City to replace more vehicles with less upfront capital
- No mileage restrictions
- No abnormal wear and tear charges
- No early termination penalties

- The City will retain equity in vehicles
- There will be flexibility of term based on each vehicle's application of use and mileage patterns

COST SAVINGS

The City will be able to enroll approximately 375 owned vehicles into the Enterprise's MMP which includes a software package for $6.00, per vehicle per month. Fleet has a monthly administrative fee of $97.01 per vehicle or asset that is maintained in-house by City staff. This administrative fee is a standard rate for all assets, regardless of type, use, maintenance needs or other aspects. For $6.00 per vehicle per month, the necessary maintenance will be tracked and serviced at local shops. The services provided by a local vendor will be billed back to the City through Enterprise based on the work performed. Below is a brief summary of a reduction in administrative fees for 375 City vehicles and enrolling into Enterprise's MMP at $6.00 per month, for the first twelve (12) months:

| City's Current Practice | Enterprise |
|---|---|
| $97.01 x 375 vehicles = $36,378.75 per month | $6 x 375 vehicles = $2,250 per month |
| $36,378.75 x 12 months | $2,250 x 12 months |
| **TOTAL COST $436,545** | **TOTAL COST $27,000** |

With the option of Enterprise's MMP, staff has determined it to be more cost effective and efficient to perform maintenance at local shops rather than in-house due to savings in administrative fees. Annual savings of $409,545 would benefit all departments. Of this savings amount, approximately $315,000 is from the General Fund.

As a result of transferring approximately 375 vehicles into Enterprise's MMP to complete required fleet maintenance activities that are currently conducted in-house, a reduction in Fleet staff is recommended resulting in cost savings to the general fund. The table below outlines the initial cost savings with a workforce reduction of one (1) Mechanic, one (1) vacant Senior Mechanic and one (1) vacant Supervisor.

| Staffing | FTE's | 12 Month Reduction |
|---|---|---|
| Mechanic I/II | 1 | $100,000 |
| Vacant Sr. Mechanic | 1 | $110,000 |
| Vacant Supervisor | 1 | $120,000 |
| **TOTAL** | | **$330,000** |

Fiscal year 2019-2020 fleet staff was reduced by three (3) mechanics. The recommendation of reducing additional Fleet positions of one (1) mechanic, one (1) vacant Senior Mechanic and one (1) vacant Supervisor will have a total reduction of six (6) employees within the last eight (8) months. The remaining Mechanics will continue to provide services to Police, Fire, Environmental Resources, Water vehicles and other

vehicles/equipment not enrolled into Enterprise's MMP.

Human Resources notified the union representative by phone on November 5, 2019, and sent a formal letter on November 6, 2019, regarding potential layoffs. Human Resources and the union representative met and conferred on November 12, 2019. An additional meeting was held on December 5, 2019, with Union Representative and Union Stewards to discuss the proposed reduction in positions. The affected Mechanic was notified of the recommendation for a reduction which could result in the potential for a layoff from his current position. The employee has been provided information on seven (7) current employment opportunities within the City. Human Resources is currently coordinating interviews for four (4) positions that he expressed interest in working at. The City will finalize his placement into one of these positions prior to the effective date of the recommended cuts. Therefore, there will not be any new layoffs as a result of this proposal.

Enrolling vehicles into Enterprise's MMP, combined with the reduction in Fleet staff, will result in an approximate annual reduction of $739,545 in fleet charges across all funds, mostly in the general fund ($330,000 from reduced Fleet personnel costs + $409,545 from reduced administrative charges). As explained in the Financial Impact section below, a significant portion of the $330,000 in reduced Fleet personnel costs will be redirected to the private repair shops in Oxnard that Enterprise Fleet Management uses, because those repair shops will now be doing the service and maintenance work, instead of City staff.

Finally, this analysis does not include savings due to increased efficiencies which will result in staff having vehicles on the road a greater percentage of the time.

TRANSITION

The Public Works Department's Management and Fleet Division staff will work with all departments to ensure a smooth transition. Departments that have vehicles assigned to them will continue to get notified when maintenance is due on a vehicle and the multiple options on where to take the vehicle, as shown in Exhibit B. The following is what will be expected during the first year:

**Months 1 & 2**

Establish credit line
Review and customize customer website and billing codes
Welcome email to all users
Hold training webinars or in person driver roll out(s) to ensure drivers are familiar with the programs and mobile app

**Months 3-11**

Monitor utilization of the programs and set up additional training as needed
Discuss quality of partnership so far to ensure we are meeting expectations
Identify replacement plan
Re-visit replacement strategy for existing fleet

**Month 12**

Fleet analysis expense summary
Savings and efficiency opportunity exploration

Industry update
Next fiscal year's fleet plan and development

LONG-TERM STRATEGY

Over time, staff anticipates financial savings and a reduction in maintenance costs by utilizing the Enterprise lease approach rather than procuring vehicles outright and maintaining them all in-house. Due to budget constraints over the past several years, which would have included deferred vehicle purchasing, many City departments have not had funding available for vehicle purchases. In addition, the overall vehicle replacement strategy as noted previously has been absent and the approach to vehicle replacement has instead been reactive. The major factors leading to the recommendation to lease new vehicles and enroll existing vehicles to Enterprise's MMP include:

**Cash Flow** - lower upfront costs and reduces monthly expenses, no loan or debt.

**Flexibility** - ability to add and remove vehicles easily to meet needs as they change.

**Reduced Maintenance Cost** - newer vehicles will require less maintenance, reduction in in-house staffing, maintenance expenses and purchasing of parts with maintenance coverage of leased vehicles.

**Management and Administrative Support** - local representatives, client portal, maintenance alerts and reminders, annual license renewal, and expertise.

**Modern Vehicles** - ability to enhance existing fleet with modern vehicles with the latest safety equipment and technology.

The leasing and maintenance programs will be monitored by staff regularly to ensure on-going savings and efficiencies for Fleet and other departments. To date, the Police Department has been very satisfied with the products and services received through Enterprise.

## STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the four strategic plans adopted by City Council on May 17, 2016.

## FINANCIAL IMPACT

Fleet's operations are budgeted and accounted for in an internal service fund, Fleet (Fund 741) which is one of seven (7) separate internal service funds that provide services to all departments of the City. Through the adopted budget for each fiscal year, all internal service funds charge the operating departments they serve an amount sufficient to fund their annual cost of operations, plus in some cases a reserve for contingencies or replacement. In recent years, funding has not been available for vehicle replacement nor is there a plan to implement a program.

Amending the Agreement (A-8136) with Enterprise will significantly reduce the monthly administrative fee and direct labor cost in Fund 741 Fleet Services. The reduction in the monthly administrative fee and reduction in direct labor costs are expected to be approximately $739,545 annually. Once the MMP program is in place, operating departments will be paying private repair shops, instead of City forces in the Fleet Services Fund, to fix and maintain their vehicles. Departments will also have the ability to lease vehicles pending on their available budget.

The exact amount of true savings to the overall City budget from enrolling 375 vehicles in the MMP program with Enterprise will not be known for at least a year. Staff expects that they will total several hundred thousand dollars annually -- because the combination of Enterprise Fleet Management's expertise and the substitution of private repair shops for City labor will be less costly on a per-repair basis.

The financial effect on the Fleet Services Fund (741) from no longer receiving $36,378.75 per month from the City's operating departments via the previous $97.01 monthly administrative fee will be incorporated in the FY 2020-21 Recommended Budget, and beyond. (The savings from the drastically reduced administrative fee will appear in the operating departments' budget. As explained above, instead of paying the Fleet Services Fund $97.01 per month per vehicle for administration, they will be paying Enterprise Fleet Management only $6.00 per month per vehicle.)

Finally, the cost of an annual lease on a given vehicle can range from approximately $5,400 to $8,400. However, unique vehicles such as a Water Distribution Truck, for example, will likely cost more due to the specialized components and makeup of the vehicle. The anticipated savings from the monthly administrative fees can also be used to lease vehicles. Departments that currently have vehicle replacement funds can use these funds to lease vehicles if approved. Departments will be required to have enough funding to lease a vehicle for five years.

*Prepared by: Brian Yanez, Assistant Public Works Director*

**ATTACHMENTS**

1. Agreement A-8136 First Amendment
2. EXHIBIT A - City Vehicle Purchasing Policy
3. EXHIBIT B - Enterprise List of Maintenance & Repair Shops
4. Enterprise Fleet Management PowerPoint FINAL

**Agreement No. A-8136**

# FIRST AMENDMENT TO VEHICLE LEASING AGREEMENT

This First Amendment ("First Amendment") to the vehicle leasing agreement ("Agreement") is made and entered into in the County of Ventura, State of California, this _____ day of _____, 2020 by and between the City of Oxnard, a municipal corporation ("City"), and Enterprise Fleet Management, Inc. ("EFM"). This First Amendment amends the Agreement entered into on July 1, 2019 by City and EFM.

City and EFM agree as follows:

1. Section 3 of the Agreement (Scope of Services) is hereby deleted and replaced with the following:

> "The scope and specific terms of the services to be provided by EFM to City are Detailed in the Master Equity Lease Agreement (Exhibit A), Maintenance and Fleet Rental Agreement (Exhibit A-1), List of Maintenance and Repair Facilities (Exhibit A-2), Indemnity Agreement (Exhibit B) and Self-Insurance Addendum Agreement (Exhibit C) of the same date, attached hereto and incorporated herein by reference."

2. In Section 4 of the Agreement (Term of the Agreement), the expiration date of "June 30, 2022," is hereby replaced with "December 1, 2025."

3. In Section 6 of the Agreement (Compensation), the amount "$675,000" is hereby replaced with "$4,100,000."

4. As so amended, the Agreement remains in full force and effect.

[Signatures on next page]

IN WITNESS WHEREOF, the parties hereto have executed the Amendment on the date first written above.

**CITY OF OXNARD**

☒ Tim Flynn, Mayor[1] Date
☐ Alexander Nguyen, City Manager
☐ Lisa Boerner, Purchasing Manager
☐ _____, Buyer

ATTEST:

Michelle Ascencion, City Clerk (only if Mayor signs) Date

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney (always required) 1-31-2020 Date

**ENTERPRISE FLEET MANAGEMENT, INC.**

Kirk Ayers, Vice President Fleet Management[2] Date

Joseph Kraichley, AVP, Fleet Management Date

[1] The City Council must authorize and the Mayor must sign the amendment if the original contract and all amendments collectively total over $200,000 annually. The City Manager may authorize and sign the amendment if the original contract and all amendments collectively total over $100,000 but up to $200,000 annually. The Purchasing Manager may authorize and sign the amendment if the original contract and all amendments collectively total up to $100,000 annually. A Buyer may authorize and sign the amendment if the original contract and all amendments collectively total up to $25,000 annually.

[2] The City requires the following for any contract:
- For a corporation, the signatures of the Board President, CEO or Vice President and of the Board Secretary, Assistant Secretary, CFO or Assistant Treasurer;
- For an LLC, the signatures of at least two managers of the LLC (company directors, not lower-level managers); or
- For a partnership, the signature of a partner. If the partnership is a limited partnership, the signer must be a general partner.

If the company has a different structure, or if the above-listed persons are not the appropriate signers, please submit to the City Attorney legally-binding documentation stating who can sign and bind your company.

EXHIBIT A – 1

FLEET MANAGEMENT

## MAINTENANCE MANAGEMENT AND FLEET RENTAL AGREEMENT

This Agreement is entered into as of the _____ day of _____, by and between Enterprise Fleet Management, Inc., a Missouri corporation, doing business as "Enterprise Fleet Management" ("EFM"), and _____ (the "Company").

WITNESSETH:

1. ENTERPRISE CARDS: Upon request from the Company, EFM will provide a driver information packet outlining its vehicle maintenance program (the "Program") and a card ("Card") for each Company vehicle included in the Company's request. All drivers of vehicles subject to this Agreement must be a representative of the Company, its subsidiaries or affiliates. All Cards issued by EFM upon request of the Company shall be subject to the terms of this Agreement and the responsibility of the Company. All Cards shall bear an expiration date.

Cards issued to the Company shall be used by the Company in accordance with this Agreement and limited solely to purchases of certain products and services for Company vehicles, which are included in the Program. The Program is subject to all other EFM instructions, rules and regulations which may be revised from time to time by EFM. Cards shall remain the property of EFM and returned to EFM upon expiration or cancellation.

2. VEHICLE REPAIRS AND SERVICE: EFM will provide purchase order control by phone or in writing authorizing charges for repairs and service over $75, or such other amount as may be established by EFM from time to time under the Program. All charges for repairs and services will be invoiced to EFM. Invoices will be reviewed by EFM for accuracy, proper application of potential manufacturer's warranties, application of potential discounts and unnecessary, unauthorized repairs.

Notwithstanding the above, in the event the repairs and service are the result of damage from an accident or other non-maintenance related cause (including glass claims), these matters will be referred to the Company's Fleet Manager. If the Company prefers that EFM handle the damage repair, the Company agrees to assign the administration of the matter to EFM. EFM will administer such claims in its discretion. The fees for this service will be up to $125.00 per claim and the Company agrees to reimburse for repairs as outlined in this agreement. If the Company desires the assistance of EFM in recovering damage amounts from at fault third parties, a Vehicle Risk Management Agreement must be on file for the Company.

3. BILLING AND PAYMENT: All audited invoices paid by EFM on behalf of the Company will be consolidated and submitted to the Company on a single monthly invoice for the entire Company fleet covered under this Agreement. The Company is liable for, and will pay EFM within ten (10) days after receipt of an invoice or statement for, all purchases invoiced to the Company by EFM, which were paid by EFM for or on behalf of the Company. EFM will be entitled to retain for its own account, and treat as being paid by EFM for purposes of this Agreement, any discounts it receives from a supplier with respect to such purchases which are based on the overall volume of business EFM provides to such supplier and not solely the Company's business. EFM will exercise due care to prevent additional charges from being incurred once the Company has notified EFM of its desire to cancel any outstanding Card under this Agreement. The Company will use its best efforts to obtain and return any such cancelled Card.

4. RENTAL VEHICLES: The Card will authorize the Company's representative to arrange for rental vehicles with a subsidiary of Enterprise Rent-A-Car Company for a maximum of two (2) days without prior authorization. Extensions beyond two (2) days must be granted by an EFM representative. The Company assumes all responsibility for all rental agreements arranged by EFM with a subsidiary of Enterprise Rent-A-Car Company through an EFM representative or through the use of the Card. All drivers must be at least 21 years of age, hold a valid driver's license, be an employee of the Company or authorized by the Company through established reservation procedures and meet other applicable requirements of the applicable subsidiary of Enterprise Rent-A-Car Company.

5. NO WARRANTY: EFM MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO PRODUCTS, REPAIRS OR SERVICES PROVIDED FOR UNDER THIS AGREEMENT BY THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY, COMPLIANCE WITH SPECIFICATIONS, OPERATION, CONDITION, SUITABILITY, PERFORMANCE, QUALITY OR FITNESS FOR USE. Any defect in the performance of any product, repair or service will not relieve the Company from its obligations under this Agreement, including without limitation the payment to EFM of monthly invoices.

6. CANCELLATION: Either party may cancel any Card under this Agreement or this Agreement in its entirety at any time by giving written notice to the other party. The cancellation of any Card or termination of this Agreement will not affect any rights or obligations under this Agreement, which shall have previously accrued or shall thereafter arise with respect to any occurrence prior to such cancellation or termination. A Card shall be immediately returned to EFM upon cancellation to: Enterprise Fleet Management, 600 Corporate Park Drive, St. Louis, MO 63105, Attention: Enterprise Card Department. Notice to EFM regarding the cancellation of any Card shall specify the Card number and identify the Company's representative. In the case of a terminated representative, such notice shall include a brief description of the efforts made to reclaim the Card.

7. NOTICES: All notices of cancellation or termination under this Agreement shall be mailed postage prepaid by registered or certified mail, or sent by express overnight delivery service, to the other party at its address set forth on the signature page of this Agreement or at such other address as such party may provide in writing from time to time. Any such notice sent by mail will be effective three (3) days after deposit in the United States mail, duly addressed, with registered or certified mail postage prepaid. Any such notice sent by express overnight delivery service will be effective one (1) day after deposit with such delivery service, duly addressed, with delivery fees prepaid. The Company will promptly notify EFM of any change in the Company's address.

Initials: EFM_____ Company_____

# EXHIBIT A – 1

Enterprise FLEET MANAGEMENT

## MAINTENANCE MANAGEMENT AND FLEET RENTAL AGREEMENT

This Agreement is entered into as of the _____ day of _____, by and between Enterprise Fleet Management, Inc., a Missouri corporation, doing business as "Enterprise Fleet Management" ("EFM"), and _____ (the "Company").

WITNESSETH:

1. ENTERPRISE CARDS: Upon request from the Company, EFM will provide a driver information packet outlining its vehicle maintenance program (the "Program") and a card ("Card") for each Company vehicle included in the Company's request. All drivers of vehicles subject to this Agreement must be a representative of the Company, its subsidiaries or affiliates. All Cards issued by EFM upon request of the Company shall be subject to the terms of this Agreement and the responsibility of the Company. All Cards shall bear an expiration date.

Cards issued to the Company shall be used by the Company in accordance with this Agreement and limited solely to purchases of certain products and services for Company vehicles, which are included in the Program. The Program is subject to all other EFM instructions, rules and regulations which may be revised from time to time by EFM. Cards shall remain the property of EFM and returned to EFM upon expiration or cancellation.

2. VEHICLE REPAIRS AND SERVICE: EFM will provide purchase order control by phone or in writing authorizing charges for repairs and service over $75, or such other amount as may be established by EFM from time to time under the Program. All charges for repairs and services will be invoiced to EFM. Invoices will be reviewed by EFM for accuracy, proper application of potential manufacturer's warranties, application of potential discounts and unnecessary, unauthorized repairs.

Notwithstanding the above, in the event the repairs and service are the result of damage from an accident or other non-maintenance related cause (including glass claims), these matters will be referred to the Company's Fleet Manager. If the Company prefers that EFM handle the damage repair, the Company agrees to assign the administration of the matter to EFM. EFM will administer such claims in its discretion. The fees for this service will be up to $125.00 per claim and the Company agrees to reimburse for repairs as outlined in this agreement. If the Company desires the assistance of EFM in recovering damage amounts from at fault third parties, a Vehicle Risk Management Agreement must be on file for the Company.

3. BILLING AND PAYMENT: All audited invoices paid by EFM on behalf of the Company will be consolidated and submitted to the Company on a single monthly invoice for the entire Company fleet covered under this Agreement. The Company is liable for, and will pay EFM within ten (10) days after receipt of an invoice or statement for, all purchases invoiced to the Company by EFM, which were paid by EFM for or on behalf of the Company. EFM will be entitled to retain for its own account, and treat as being paid by EFM for purposes of this Agreement, any discounts it receives from a supplier with respect to such purchases which are based on the overall volume of business EFM provides to such supplier and not solely the Company's business. EFM will exercise due care to prevent additional charges from being incurred once the Company has notified EFM of its desire to cancel any outstanding Card under this Agreement. The Company will use its best efforts to obtain and return any such cancelled Card.

4. RENTAL VEHICLES: The Card will authorize the Company's representative to arrange for rental vehicles with a subsidiary of Enterprise Rent-A-Car Company for a maximum of two (2) days without prior authorization. Extensions beyond two (2) days must be granted by an EFM representative. The Company assumes all responsibility for all rental agreements arranged by EFM with a subsidiary of Enterprise Rent-A-Car Company through an EFM representative or through the use of the Card. All drivers must be at least 21 years of age, hold a valid driver's license, be an employee of the Company or authorized by the Company through established reservation procedures and meet other applicable requirements of the applicable subsidiary of Enterprise Rent-A-Car Company.

5. NO WARRANTY: EFM MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO PRODUCTS, REPAIRS OR SERVICES PROVIDED FOR UNDER THIS AGREEMENT BY THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY, COMPLIANCE WITH SPECIFICATIONS, OPERATION, CONDITION, SUITABILITY, PERFORMANCE, QUALITY OR FITNESS FOR USE. Any defect in the performance of any product, repair or service will not relieve the Company from its obligations under this Agreement, including without limitation the payment to EFM of monthly invoices.

6. CANCELLATION: Either party may cancel any Card under this Agreement or this Agreement in its entirety at any time by giving written notice to the other party. The cancellation of any Card or termination of this Agreement will not affect any rights or obligations under this Agreement, which shall have previously accrued or shall thereafter arise with respect to any occurrence prior to such cancellation or termination. A Card shall be immediately returned to EFM upon cancellation to: Enterprise Fleet Management, 600 Corporate Park Drive, St. Louis, MO 63105, Attention: Enterprise Card Department. Notice to EFM regarding the cancellation of any Card shall specify the Card number and identify the Company's representative. In the case of a terminated representative, such notice shall include a brief description of the efforts made to reclaim the Card.

7. NOTICES: All notices of cancellation or termination under this Agreement shall be mailed postage prepaid by registered or certified mail, or sent by express overnight delivery service, to the other party at its address set forth on the signature page of this Agreement or at such other address as such party may provide in writing from time to time. Any such notice sent by mail will be effective three (3) days after deposit in the United States mail, duly addressed, with registered or certified mail postage prepaid. Any such notice sent by express overnight delivery service will be effective one (1) day after deposit with such delivery service, duly addressed, with delivery fees prepaid. The Company will promptly notify EFM of any change in the Company's address.

Initials: EFM_____ Company_____

8. FEES: EFM will charge the Company for the service under this Agreement $_____ per month per Card, plus a one time set-up fee of $_____.

9. MISCELLANEOUS: This Agreement may be amended only by an agreement in writing signed by EFM and the Company. This Agreement is governed by the substantive laws of the State of Missouri (determined without reference to conflict of law principles).

IN WITNESS WHEREOF, the parties hereto have executed the Amendment on the date first written above.

**CITY OF OXNARD**

_____ _____
■ Tim Flynn, Mayor Date
☐ Alexander Nguyen, City Manager
☐ Lisa Boerner, Purchasing Manager
☐ _____, Buyer

ATTEST:

_____ _____
Michelle Ascencion, City Clerk (only if Mayor signs) Date

APPROVED AS TO FORM:

_____ 1-31-2020
Stephen M. Fischer, City Attorney (always required) Date

_____

**ENTERPRISE FLEET MANAGEMENT, INC.**

_____ _____
Kirk Ayers, Vice President Fleet Management Date

_____ _____
Joseph Kraichley, AVP, Fleet Management Date

Initials: EFM_____ Company_____

# EXHIBIT A-2
# LIST OF MAINTENANCE AND REPAIR FACILITIES

The following is a list of authorized maintenance and repair facilities agreed upon mutually by City and EFM. This list may be updated as needed during the duration of the Agreement.

1. OXNARD FIRESTONE
   321 S Oxnard Boulevard
   Oxnard, California 93030
   Telephone: 805-483-2295

2. MEKANIKS PLUS CAR CARE CORNER
   632 Pacific Avenue
   Oxnard, California 93030
   Telephone: 805-487-8559

3. HIGH TECH AUTO REPAIR INC
   311 E. Wooly Road
   Oxnard, California 93030
   Telephone: 805-385-2469

4. JIFFY LUBE # 3098
   611 S Rose Avenue
   Oxnard, California 93030
   Telephone: 805-486-5655

5. PEP BOYS
   939 S Oxnard Boulevard
   Oxnard, California 93030
   Telephone: 805-486-6387

6. VELOCITY TRUCK CENTER
   2501 Camino Del Sol
   Oxnard, California 93030
   Telephone: 805-983-2408

7. JIFFY LUBE # 1575
   101 W. Esplanade Drive
   Oxnard, California 93036
   Telephone: 805-278-9931

8. AMERICA'S TIRE
   2320 E Vineyard Avenue
   Oxnard, California 93036
   Telephone: 805-983-4506

9. MOUNTAIN VIEW TIRE AND SERVICE
   2341 East Vineyard Avenue
   Oxnard, California 93036
   Telephone: 805-485-6744

10. VISTA FORD OF OXNARD QUICK LANE
    1501 Auto Center Drive
    Oxnard, California 93036
    Telephone: 805-983-6512

11. DCH TOYOTA OF OXNARD
    1631 Auto Center Drive
    Oxnard, California 93036
    Telephone: 805-988-2300

12. MERCDES OF OXNARD
    1511 Auto Center Drive
    Oxnard, California 93036
    Telephone: 805-604-6500

13. TEAM NISSAN
    1801 Auto Center Drive
    Oxnard, California 93036
    Telephone: 805-485-8517

14. CROWN DODGE CHRYSLER JEEP
    6300 King
    Ventura, California 93003
    Telephone: 805-656-6669

15. DONAHUE TRUCK CENTERS
    6551 Ventura Boulevard
    Ventura, California 93003
    Telephone: 805-981-0000

16. ASSOCIATED TIRES & BRAKES
    6353 Ventura Boulevard #26
    Ventura, California 93003
    Telephone: 805-654-1355

17. ASSOCIATED TIRE
    6353 Ventura Boulevard
    Ventura, California 93003
    Telephone: 805-656-2049

18. JJ's SMOG CHECK
    1281 S Oxnard Boulevard
    Oxnard, California 93030
    Telephone: 805-982-9073

19. PARKHOUSE TIRE
    663 Maulhardt Avenue
    Oxnard, California 93030
    Telephone: 805-604-0461

20. ALEXANDER BUICK GMC CADILAC
    1600 Auto Center Drive
    Oxnard, California 93030
    Telephone: 805-988-2200

21. MIDAS AUTO SERVICE EXPERTS 1309
    5415 N Oxnard Boulevard
    Oxnard, California 93030
    Telephone: 805-983-0821

22. DANIELS TIRE SERVICE
    1040 Commercial Avenue
    Oxnard, California 93030
    Telphone: 805-487-0453

23. WINSTON TIRE
    955 S A Street
    Oxnard, California 93030
    Telephone: 805-487-6594

24. MEINEKE CAR CARE #4052
    2011 N Oxnard Boulevard
    Oxnard, California 93036
    Telephone: 805-983-1168

25. BIG BRAND TIRE CO
    1313 S Oxnard Boulevard
    Oxnard, California 93030
    Telephone: 805-487-7883

26. GOLD COAST ASSOCIATES
    1313 S Oxnard Boulevard
    Oxnard, California 93030
    Telephone: 805-486-6381

27. AAMCO
    429 N Oxnard Boulevard
    Oxnard, California 93030
    Telephone: 805983-8100

ITEM #D-3

RECEIVED
2002 MAR 19 PM 3:51
CITY OF OXNARD
DEVELOPMENT SERVICES

CD
3-26-02

March 18, 2002

**TO:** Department Heads/Division Heads

**FROM:** Edmund F. Sotelo, City Manager

**SUBJECT:** *City Vehicle Purchasing Policy*

**MEMO**

Attached is our revised policy for the purchase of all vehicles. The significant revision is that all vehicles purchased, including all police and fire vehicles, require completion of the "Vehicle Purchasing Form" and signatures of the City Manager and the Fleet Manager. This policy continues to provide the following benefits to the City:

- A single Citywide procedure
- Establishment of vehicle guidelines (standards)
- Group purchasing potential
- Better timing of vehicle purchases
- More potential savings

This revised policy is effective immediately and should be followed when making your next vehicle purchase.

Attachment

cc: Paul Starr, Fleet Manager
Stan Kleinman, Finance and Management Services Director
Jenny Coggeshall, Buyer
Bruce Dandy, Accounting Manager

219F11.2.DOC

# CITY OF OXNARD
# VEHICLE PURCHASING PROCEDURES
# GENERAL STEPS

General steps that must be followed in order to obtain a vehicle (excluding Police and Fire unmarked):

1. Department must justify with appropriate documentation that there is a need for the vehicle.

2. Department staff prepares Vehicle Purchasing Form. (Copy of 3-part form attached.)

3. Request forwarded to Equipment Manager.

4. Equipment Manager prepares specifications based on meeting City standards.

5. Department reviews and approves specifications.

6. Purchasing determines if funds are budgeted.

7. City Manager approves request.

8. Purchasing Services sends out bids to three or more vendors. Purchasing will utilize the best method (bid, piggybacking, group purchase) for acquiring the vehicle.

9. Bids received in Purchasing.

10. Bids reviewed by Purchasing, Equipment Manager and Department.

11. Lowest responsible bidder is awarded bid. Purchase order prepared. City Council approval required if over $250,000.

12. Equipment Manager will receive purchases to evaluate and inspect for compliance with specifications.

13. Prior to delivery to departments, Equipment Manager will install City logo and equipment number.

# CITY OF OXNARD
# VEHICLE PURCHASING GUIDELINES

The Equipment Manager will use the following major criteria as a basis for determining if vehicles qualify for replacement.

1. Safety—The Equipment Manager's primary objective is to ensure the safety of employees using City vehicles. If the Equipment Manager deems it unsafe for employee use, it will be designated for replacement.

2. Cost of Repair or Operation—When it is determined by the Equipment Manager that it is no longer cost-effective to retain a particular vehicle, it will be designated for replacement.

3. Department Requirements—If the functions and operations of a department change, their transportation vehicle needs may change as well. If the type of vehicle assigned to a department no longer meets the department's operational requirements, the Equipment Manager will seek an alternative assignment for the vehicle. If no assignment is possible, the vehicle will be designated for replacement.

4. Age and Mileage—The following guidelines for age and mileage, as well as repair history and overall mechanical condition, will be used in considering the replacement of transportation vehicles:

| | | |
|---|---|---|
| a. | Passenger cars | 120,000 miles or 15 years |
| b. | Pickup trucks/vans | 120,000 miles or 15 years |
| c. | Light-duty trucks | 120,000 miles or 15 years |
| d. | Police cars | 100,000 miles or 4 years |

The Equipment Manager will ensure that all purchases meet City standards approved by the City Manager. This shall include:

No ordering luxury equipment packages.

Tinted windows (optional and will only be at the minimum amount of tint provided by manufacturer).

Electric Windows (optional)

Cruise control (based on need)

Standard cloth/vinyl interiors

AM/FM radio (cassette optional)

Engine selection based on Equipment Manager's recommendation

A/C (optional)

No Chrome Rims (standard rims required).

To ensure vehicles comply with the above guidelines, any add-on items or aftermarket items, e.g., rims, camper shells, bed liners, trailer hitches, light bars, etc., are to be approved and provided by the Equipment Manager.

CITY OF OXNARD CALIFORNIA

# VEHICLE PURCHASING FORM

Division _____ Date _____

Contact Person _____ Extension _____

Check appropriate boxes:
New ☐ Used ☐
Replacement ☐ Additional ☐ Projected Cost $ _____

| **Equipment Description** *Include Options* (A/C, engine size, extended cab, 4X4, radio, etc.) | **Qty** | **Account Number** |
|---|---|---|
| | | |

*Attach letter of justification for each item.*

***Signatures of Approval:*** Date

Division Head _____ _____

Dept. Head _____ _____

Fleet Manager _____ _____

Finance Dept. _____ _____

City Manager _____ _____

*After approval, forward to Procurement Services.*

Comments:

_____

_____

White-Purchasing • Yellow-Finance • Pink-Department

1. OXNARD FIRESTONE
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   Oxnard, California 93030
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2. MEKANIKS PLUS CAR CARE CORNER
   632 Pacific Avenue
   Oxnard, California 93030
   Telephone: 805-487-8559

3. HIGH TECH AUTO REPAIR INC
   311 E. Wooly Road
   Oxnard, California 93030
   Telephone: 805-385-2469

4. JIFFY LUBE # 3098
   611 S Rose Avenue
   Oxnard, California 93030
   Telephone: 805-486-5655

5. PEP BOYS
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   Oxnard, California 93030
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7. JIFFY LUBE # 1575
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11. DCH TOYOTA OF OXNARD
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    Telephone: 805-604-6500

13. TEAM NISSAN
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    Ventura, California 93003
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18. JJ’s SMOG CHECK
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    Oxnard, California 93030

Telephone: 805-982-9073

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    Oxnard, California 93030
    Telephone: 805-604-0461

20. ALEXANDER BUICK GMC CADILAC
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    Oxnard, California 93030
    Telephone: 805-988-2200

21. MIDAS AUTO SERVICE EXPERTS 1309
    5415 N Oxnard Boulevard
    Oxnard, California 93030
    Telephone: 805-983-0821

22. DANIELS TIRE SERVICE
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    Oxnard, California 93030
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23. WINSTON TIRE
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    Oxnard, California 93030
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26. GOLD COAST ASSOCIATES
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    Oxnard, California 93030
    Telephone: 805-486-6381

27. AAMCO
    429 N Oxnard Boulevard
    Oxnard, California 93030
    Telephone: 805983-8100

# Amending Enterprise Fleet Management Agreement No. 8136 and Restructuring of Fleet Services Division

Public Works and Transportation Committee
February 25, 2020

Brian Yanez
Assistant Public Works Director

CITY OF OXNARD CALIFORNIA

## RECOMMENDATION

That the Public Works and Transportation Committee recommend that the City Council:

1. Approve and authorize the Mayor to execute a first amendment to Agreement A-8136 with Enterprise Fleet Management, Inc. (Enterprise) that increases the current agreement value by $3,425,000 (from $675,000 to $4,100,000) and extends the term through December 1, 2025;
2. Authorize Public Works Fleet Services Division to enroll approximately 375 city-owned vehicles into Enterprise's Maintenance Management Program and all new leased or City owned vehicles that qualify for the program;
3. Eliminate three (3) staff positions from Fleet Services Division;
4. Authorize City departments to utilize current vehicle replacement funds for leasing or future leasing.

## EXECUTIVE SUMMARY

- Vehicles and equipment have historically been purchased and owned by the City of Oxnard (City).
- Most of our Fleet is aging and the City doesn't have adequate funding for vehicle replacement. Staff is doing more maintenance, which is not cost effective.
- In some cases we have spent more to maintain a vehicle than the City paid to purchase it.

## EXECUTIVE SUMMARY

- A leasing and maintenance program can reduce operating costs (maintenance, repairs, fuel and staffing).
- The implementation of a leasing program will offer the City the ability to have more modern vehicles with newer technology and safety features.
- The Police Department currently leases some vehicles.

## EXECUTIVE SUMMARY

- Water, Wastewater, Fire and Environmental Resources have adequate funding to lease vehicles and will begin to lease with this agreement, providing savings to rate payers.
- The City's in-house administrative fee is $97.01 per month per vehicle.
- Enterprise will perform this function for $6.00 per vehicle per month. Annual savings in the administrative fee alone will be approximately $410,000.

## EXECUTIVE SUMMARY

- Loss of productivity when a vehicle is at the City garage is difficult to quantify but could be significant.
- Vehicles needing an oil change can be in the shop for a full day or more, depending on the current workload.
- With Enterprise, the employees assigned to a vehicle have the option to utilize a variety of shops such as a Jiffy Lube style shop and be back on the job quickly.

## EXECUTIVE SUMMARY

- The City is currently paying for all overhead.
- Utilizing a private garage, the City only pays for the overhead attributable to the vehicle being worked on.
- All the shops will be located in the City, which will keep tax dollars local and provide our residents with jobs.
- There are some things that the private sector can do more affordably and efficiently than government.

## BACKGROUND

- Due to budget constraints over the past several years, including deferred vehicle purchasing, the Police Department continues to use Enterprise to replace aging vehicles with new, more efficient ones.
- The most recent agreement with Enterprise is a three (3) year agreement (A-8136) which was approved by City Council in July 2019 (Agreement).

## BACKGROUND

- The original Agreement was entered under a "piggyback" request for proposals through Sourcewell.
- Sourcewell released a request for proposals (#060618-EFM) on June 7, 2018, advertising a nationwide solicitation, including the states of California, Oregon, Utah, and Minnesota.
- The contract is valid through July 24, 2022. Enterprise will be renewing this contract in 2020.

## BACKGROUND

- 80% of the City's fleet is over 10 years old.
- The City fleet typically operates vehicles for 14.33 years, resulting in increased repair, maintenance and fuel costs.
- A lease and maintenance program with Enterprise is a better approach that will reduce costs, increase efficiency and enhance the overall safety of the City's fleet.

## DISCUSSION

The table below details the number of vehicles put into service according to age:

| Vehicle Age | Number of Vehicles |
|---|---|
| 1 to 5 years | 65 |
| 6 to 10 years | 64 |
| 11 to 15 years | 136 |
| 16 to 20 years | 97 |
| 21 to 30 years | 13 |
| Average age of vehicles | 14.33 years |

## DISCUSSION

- Without a replacement program and adequate funding, the City fleet continues to age beyond its useful and cost effective life.
- Some of these vehicles lack modern safety devices, have reduced fuel efficiency and cost more to maintain and operate with each passing year.
- Many vehicles need to be replaced to ensure the City's fleet remains safe and efficient, while mitigating increasing repair and maintenance costs.

## BACKGROUND

- Leasing is a cost effective way to add more hybrids and/or electric vehicles to save on fuel and reduce the City's carbon footprint.
- The City currently does not fund a comprehensive vehicle replacement program.

## DISCUSSION

- Fleet Services (Fleet) currently maintains and manages the City's 917 vehicle and equipment fleet, valued at over $42 million.
- Includes in-house preventative maintenance and comprehensive inspection, as well as performing light to heavy repairs.
- Fleet is also involved in the procurement process and disposition of City vehicles.
- Fleet staffs 28 Full-Time Equivalent (FTE) employees, 21 of whom are Mechanics.

## DISCUSSION

### Maintenance

- Lease cycle for most vehicles is typically 60 months. At the end of the lease cycle, the City will have the option to keep using the vehicle or exchange the equity for a new replacement vehicle.
- Enterprise will administer a maintenance program for City-owned vehicles for a fixed monthly fee of $6.00 per vehicle, which also includes 24-hour roadside assistance.
- Maintenance will be outsourced to local vendors and repairs will be invoiced to the City based on work performed.

## DISCUSSION

- Enterprise has a network of repair facilities across the nation, including shops in Oxnard.
- Enterprise is committed to adding more local repair shops so that all of the money spent on maintenance will remain in Oxnard.
- Newly leased vehicles will be delivered to dealerships in Oxnard in order to support local business and retain tax benefits.

## DISCUSSION

- The Enterprise call center is staffed with Automotive Service Excellence (ASE) certified mechanics who will review repair estimates to ensure that repair quotes are consistent with nationwide standards for repair costs.
- Enterprise Fleet Management Software will allow staff to view individual vehicle lifecycle costs and maintenance records in one location and view critical data in customizable dashboards.
- The software has a companion application that staff can use to check out pool vehicles, record mileage, request location of local shops, schedule repairs and get roadside assistance.

## DISCUSSION

**Leasing**

- Enterprise offers a wide array of vehicle acquisition and leasing methods for vehicles under 25,000 pound Gross Vehicle Weight (GVW), which are light to medium duty vehicles.
- Approximately 375 vehicles are eligible and can be immediately enrolled in Enterprise's Maintenance Management Program (MMP).
- Includes services for account management, vehicle maintenance and the option of telematics vehicle data.

## DISCUSSION

- For newly leased vehicles, Enterprise will cover all maintenance costs and expenses at a monthly rate of $75-$90 depending on the vehicle.
- The newly leased vehicles enrolled in Enterprise's MMP include preventative maintenance and unscheduled maintenance, as well as towing, two sets of brakes and four tires.
- Staff will continue to evaluate and enroll vehicles that qualify during this agreement.

## DISCUSSION

- Enterprise will auction off old vehicles with any proceeds either returning to the City or used as credit toward the leasing of a replacement vehicle.
- The leasing of vehicles will result in cost savings and fleet enhancements over purchasing vehicles.

## DISCUSSION

- The open-end lease option will allow for a proactive replacement plan, simplify funding structure and assist with annual budget planning.
- Staff will evaluate the program annually to assess level of service, cost, customer service, vehicle needs and maintenance turnaround time.

## DISCUSSION

**Administrative Benefits**

- Enterprise will be title holder until term for vehicle management services and resale

Enterprise will provide:

- Automatic license and registration servicing
- Toll and ticket management
- Access to maintenance website
- Local account team for day-to-day services

## DISCUSSION

**Operational Benefits**

- Enterprise will coordinate logistics for moving vehicles in and out of service

Enterprise will provide:

- Aftermarket and decal services
- Safety recall management
- Access to fuel programs
- Telematics offerings (additional fee)
- Mobile application for drivers to access for all vehicle operation needs

## DISCUSSION

**Financial Benefits**

- Enterprise will research best vehicle options and prices
- Equity from the sale of a vehicle can be used towards future vehicles

Enterprise will provide:

- Vehicle incentive management
- Access to Enterprise remarketing services for max resale
- ASE certified techs to manage maintenance expense
- Gold certified claim handling for lower accident repair costs
- Proceeds from the sale of a given vehicle can be used as a credit toward future vehicles

## DISCUSSION

**Additional Benefits**

- Leasing will optimize cash flow
- Allow City to replace more vehicles with less upfront capital
- No mileage restrictions
- No abnormal wear and tear charges
- No early termination penalties
- The City will retain equity in vehicles
- There will be flexibility of term based on each vehicles application of use and mileage patterns

## DISCUSSION

- The annual savings with Enterprise's MMP would be approximately $410,000 benefiting all departments with vehicles.

- A savings of $315,000 is estimated to be General Fund savings.

## DISCUSSION

- As a result of transferring approximately 375 vehicles into Enterprise's MMP, a reduction in Fleet positions is recommended resulting in cost savings to the general fund.
- There will be no new layoffs this fiscal year as a result of this proposal.
- The impacted Mechanic I has been offered a choice of multiple positions he is qualified to transfer into for placement prior to the effective date of the recommended cuts.

## DISCUSSION

- The table below outlines the initial cost savings with a position reduction of one (1) Mechanic, one (1) vacant Senior Mechanic and one (1) vacant Supervisor.

| Staffing | FTE's | 12 Month Reduction |
|---|---|---|
| Mechanic I/II | 1 | $100,000 |
| Vacant Sr. Mechanic | 1 | $110,000 |
| Vacant Supervisor | 1 | $120,000 |
| **TOTAL** | | **$330,000** |

## DISCUSSION

- Enrolling vehicles into Enterprise's MMP and reduction in Fleet positions, results in an approximate annual savings of $739,545 ($330,000 direct labor + $409,545 administrative fee).
- The remaining Mechanics will continue to provide services to Police, Fire, Environmental Resources, and other vehicles/equipment not enrolled into the MMP.

## DISCUSSION

Human Resources notified the union as follows:

- By phone on November 5, 2019
- Sent a formal letter on November 6, 2019
- Conducted a meet and confer on November 12, 2019
- Held an additional meeting on December 5, 2019, with union representative and shop steward to discuss the proposed reduction

## DISCUSSION

- The one (1) Mechanic whose position will be eliminated was notified on December 6, 2019, of the potential layoff.
- The employee was provided with the opportunity to fill one of seven (7) current employment opportunities within the City.
- Again, there will be no new layoffs this fiscal year as a result of this proposal. The impacted Mechanic I has been offered a choice of multiple positions he is qualified for.

## DISCUSSION

**Transition**

- Public Works Department's Management and Fleet Division staff will work with all departments to ensure a smooth transition.
- The following is what will be expected during the first year:

**Months 1 & 2**

- Establish credit line
- Review and customize customer website and billing codes
- Hold training webinars or in person driver roll out(s) to ensure familiarity with programs and mobile app

## DISCUSSION

**Months 3-11**

Monitor utilization of the programs and set up additional trainings as needed

- Discuss partnership quality to ensure we are meeting expectations
- Identify replacement plan
- Re-visit replacement strategy for existing fleet

**Month 12**

Fleet analysis expense summary

- Savings and efficiency opportunity exploration
- Industry update
- Next fiscal year's fleet plan and development

## DISCUSSION

Benefits of leasing and enrolling vehicles to Enterprise's MMP include:

- **Optimize Cash Flow**
  - Lower upfront costs
  - Reduce monthly expenses
  - No loan or debt
- **Flexibility**
  - Ability to add and remove vehicles easily to meet changing needs
- **Reduced Maintenance Cost**
  - Newer vehicles require less maintenance
  - Savings through reduction in staffing

## FINANCIAL IMPACT

- The combined annual savings of the monthly administrative fee and reduction in direct labor are expected to be approximately $739,545 ($409,545 administrative fee and $330,000 in direct labor).
- Approximately $315,000 is general fund savings.
- Indirect savings will be determined after a full year of participating in the leasing and maintenance programs.

## FINANCIAL IMPACT

- Unique vehicles such as a Water Distribution Truck, for example, will likely cost more due to the specialized components and makeup of the vehicle.
- Departments that currently have vehicle replacement funds can use these funds to lease vehicles if approved.
- Departments will be required to have enough funding to lease a vehicle for five (5) years.

QUESTIONS?
CITY OF
OXNARD
CALIFORNIA