



STAFF REPORT
3/9/2022

TO: Honorable Mayor and City Council Members

FROM: Maritza Martinez, Public Works Director

SUBJECT: Authorize purchase of a new Haaker Equipment Vactor Model 2112 for the Coachella Sanitary District.

STAFF RECOMMENDATION:

Authorize purchase of a new Haaker Equipment Vactor Model 2112 for the Coachella Sanitary District for \$484,657.99 and authorize the City Manager to sign the Purchase Agreement Proposal.

EXECUTIVE SUMMARY:

The Coachella Sanitation District has a 2000 Vactor Serling jetter unit. This unit is over twenty years old and is not effectively serving the maintenance needs of the District.

The total cost to purchase the recommended Haaker Equipment Vactor Model 2112 is \$484,657.99. Staff has identified the Haaker Model 2112 unit as a unit that will meet the maintenance service needs not currently being met by the 2000 Vactor Sterling. Direct purchase of this unit will provide a more competitive purchase price than the originally planned for financing option and this unit is in stock and can be delivered to the Coachella Sanitation District within 30-60 days of award.

The vactor unit recommended for award, Haaker Equipment Vactor Model 2112, was the awarded bidder for the completed formal bid process by Sourcewell Cooperative Purchased Agreement Contract #101221-VTR. Staff is requesting authorization to piggyback on this award and execute the attached Purchase Agreement Proposal with Haaker Equipment Company.

FISCAL IMPACT:

The fiscal year 2021/2022 approved budget identified an appropriation of \$190,000 towards the purchase of a new jetter unit for the District representing planned financing payments over a two – three year period. After reviewing financing options available to the District, the optimal capital structure for this item is to internally finance the purchase of the jetter unit through an inter fund advance from fund 360 - sewer connection fees to fund 361 - sewer operations. This advance will be accounted for at an effective annual rate of 2.5% to be repaid in two additional annual installments. This will allow the District to utilize available cash balances to fund the purchase saving on finance charges that exceed the District's investment returns.

Attachment:

Proposal Purchase Agreement from Haaker Equipment Company