

Kenai Peninsula Borough

Solid Waste Department

MEMORANDUM

TO: Charlie Pierce, Borough Mayor *ch*
THRU: John Hedges, Purchasing & Contracting Director *JH*
FROM: Lee Frey, Solid Waste Director *LF*
DATE: April 22, 2022
RE: Loader Purchase – Waiver of Formal Bidding Procedures

The Kenai Peninsula Borough Solid Waste Department is requesting a waiver of formal bidding procedures for the purchase of a 2022 Hitachi ZW180-6 Wheel Loader for the Homer Transfer Facility from Construction Machinery Industrial, LLC (CMI).

We contacted four vendors to request a quote for a loader based on a set of specifications to meet the needs of a wheel loader for operation of the tipping floor at the Homer Transfer Facility. Of the four vendors contacted, only two were able to provide a quote and lead time. The other two stated that the lead times would take several months to a year and the equipment is needed now. CMI is able to provide a loader meeting the specifications at the lowest cost and is currently available in Anchorage while the other option was more expensive and being manufactured and available in Seattle in May which has been priced at \$343,597.00. The pricing provided is based on a Florida Sheriffs Association Cooperative Purchasing Program that allows a 30% discount for the equipment and some accessories or options. This allows the Borough to establish a fair government price for a piece of Hitachi equipment.

This purchasing option maximizes the value of Borough funds to purchase equipment needed for operations of the Homer Transfer Facility. In addition, current manufacturing issues and delays are causing a nationwide shortage of new equipment and this loader is available for purchase now.

Pursuant to 5.28.300 of the Kenai Peninsula Borough Code, we request a waiver of formal bidding procedures to serve the best interests of the Borough and request approval for this purchase in the amount of \$304,289.00. Funding for this purchase was approved in Ordinance 2021-19-47 and is in account number 705.94910.22E09.48311.

APPROVED: Baron Rhoades for CP DATE: 4/22/2022
Charlie Pierce, Mayor

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.: <u>705.94910.22E09.48311</u>	
Amount: <u>\$304,289.00</u>	
By: <u>CS BH</u>	Date: <u>4/22/2022</u>
NOTES: NA	