



REPORT to the MAYOR and MEMBERS of the CITY COUNCIL  
From the CITY MANAGER

DATE: May 11, 2021

SUBJECT: Resolution Authorizing the Allocation of Unappropriated Equipment Replacement Fund Reserves and Purchase of Fork Lift from Naumann Hobbs Material Handling in an Amount not to Exceed \$28,130.19

ISSUING DEPT: Public Works

SUMMARY:

Issues:

Should the City of La Mesa adopt a resolution to allocate unappropriated Equipment Replacement Fund Reserves for the purchase of a replacement forklift?

Recommendation:

Adopt a resolution to allocate unappropriated Equipment Replacement Fund Reserves for the purchase of a replacement forklift.

Fiscal Impact:

This purchase will require the allocation of unappropriated Equipment Replacement Funds Reserves in the amount of \$28,130.19 to account 1315-6584.

BACKGROUND:

The Public Works Operations Division owns and operates a 1992 Clark, 2.5 ton, pneumatic tire forklift to load, unload and move materials and equipment. This forklift is 29 years old and experiences frequent breakdowns and periods of down time. Replacement parts have steadily been more difficult to acquire and frequently parts have had to be repaired.

DISCUSSION:

Due to its age and present condition, the forklift is well past its useful life. In the previous year, it has been down for repairs four separate times. Parts for the forklift are not always available and recently the brake components failed and required to be rebuilt and reused to keep the forklift operational. In January 2021, the forklift suffered a catastrophic engine failure and now requires a complete rebuild. Due to the cost and the fact that the engine rebuilder would not guarantee the work, it was decided not to move forward with the rebuild. Instead, the department is renting a forklift at a cost of \$1,380 per month until the forklift can be replaced.

City of La Mesa Municipal Code 2.40.190 – Cooperative Purchasing, allows the purchasing officer to join with other public jurisdictions in cooperative purchasing plans, programs or pricing agreements. Naumann Hobbs Material Handling (Naumann Hobbs), located in San Marcos, is the regional dealer for both Mitsubishi and Caterpillar material handling equipment under a contract with Sourcewell, a national cooperative purchasing system. They provided quotations for four replacement forklifts in the size and capabilities needed in the division. The main specifications for the forklift include: 2.5 ton lifting capacity, pneumatic wheels, and a 188-in lifting height. Based on this general criterion, Naumann Hobbs offered the following forklifts for consideration.

<b><i>Make and Model</i></b>	<b><i>Fuel</i></b>	<b><i>Price Including Tax</i></b>
1) Mitsubishi FG25N5	Propane	\$28,130.19
2) Caterpillar GP25N5	Propane	\$31,022.92
3) Caterpillar DP25N5	Diesel	\$36,674.20
4) Caterpillar 2EP5000	Electric	\$51,963.15

Options 1) and 2) are propane fueled, similar to the 28 year old Clark forklift. Option 3) is a diesel model and is the third highest cost of the four forklifts offered. Option 4) is an electric powered forklift and includes a charging station that will require installation. The estimated installation cost is \$5,000 making the total cost of this option \$56,963.15.

Records indicate the average expected use of the forklift in Public Works is approximately 71 hours per year. For comparison and using emissions data certified by the California Air Resources Board, the total emissions quantities of hydrocarbon plus oxides of nitrogen (HC+NOx), carbon monoxide (CO), and particulate matter (PM) are calculated for each make and model of forklift:

<b><i>Make and Model</i></b>	<b><i>Fuel</i></b>	<b><i>Emissions Quantities/Year</i></b>
1) Mitsubishi FG25N5	Propane	15.7 lbs
2) Caterpillar GP25N5	Propane	31.5 lbs
3) Caterpillar DP25N5	Diesel	49.6 lbs
4) Caterpillar 2EP5000	Electric	0.0 lbs

**CONCLUSION:**


Based on the pricing of these options and the relatively small amount of expected emissions quantities, staff recommends adopting a resolution to allocate \$28,130.19 of unappropriated Equipment Replacement Fund Reserves to account 1315-6584 for the purchase of the Mitsubishi FG25N2 replacement forklift.


Report to Mayor and Councilmembers  
May 11, 2021  
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Reviewed by:

  
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Greg Humora  
City Manager

Respectfully submitted by:

  
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Leon Firsh  
Director of Public Works/City Engineer

  
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Cesar J. Romero  
Assistant Director of Public Works

Attachment: A. Resolution

RESOLUTION NO. 2021-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA MESA  
AUTHORIZING THE ALLOCATION OF UNAPPROPRIATED  
EQUIPMENT REPLACEMENT FUND RESERVES AND PURCHASE OF  
A FORK LIFT FROM NAUMANN HOBBS MATERIAL HANDLING IN AN  
AMOUNT NOT TO EXCEED \$28,130.19

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WHEREAS, the City of La Mesa's Public Works Operations Division owns and operates a 1992 Clark forklift to load, unload and move materials and equipment;

WHEREAS, the forklift is 29 years old and is beyond its useful life, experiences frequent breakdowns, and failed component parts have increasingly been more difficult to source and must be rebuilt and reused to keep the forklift operational;

WHEREAS, in January 2021, the forklift suffered a catastrophic engine failure that requires a complete rebuild;

WHEREAS, an engine rebuild will not guarantee continued and reliable operation and the forklift will need to be replaced;

WHEREAS, City of La Mesa Municipal Code Section 2.40.190 - Cooperative Purchasing, allows the purchasing officer to join with other public jurisdictions in cooperative purchasing plans, programs or pricing agreements;

WHEREAS, four proposals were received from Naumann Hobbs Material Handling located in San Marcos, CA, a regional dealer for both Mitsubishi and Caterpillar under a contract for material handling equipment with Sourcewell, a national cooperative purchasing system; and

WHEREAS, of the options, the Mitsubishi, model FG25N5 propane fueled fork lift is the lowest cost.

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the City Council of the City of La Mesa, California, that:

Funds shall be allocated from unappropriated Equipment Replacement Fund Reserves in the amount of \$28,130.019 to Equipment Replacement Account 1315-6584 for the purchase of a replacement forklift;

PASSED AND ADOPTED at a Regular meeting of the City Council of the City of La Mesa, California, held the 11<sup>th</sup> day of May, 2021, by the following vote, to wit:

AYES:

NOES:

ABSENT:

CERTIFICATE OF CITY CLERK

I, MEGAN WIEGELMAN, CMC, City Clerk of the City of La Mesa, California, do hereby certify the foregoing to be a true and exact copy of Resolution No. 2021-\_\_\_, duly passed and adopted by the City Council of said City on the date and by the vote therein recited.

MEGAN WIEGELMAN, CMC, City Clerk

(SEAL OF CITY)

CERTIFICATE OF CITY/DIRECTOR OF FINANCE

Certification of Unappropriated Reserves

I HEREBY CERTIFY that the money required for the appropriation of funds for the purpose as docketed is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unappropriated.

Amount \$ \$28,130.19 Fund 603 (Equipment Replacement Fund)  
Purpose Resolution Authorizing the Appropriation and Allocation of Equipment  
Replacement Fund Reserves (603-3900) and Purchase of Fork Lift from  
Naumann Hobbs Material Handling in an Amount Not to Exceed \$28,130.19

  
\_\_\_\_\_  
Director of Finance  
City of La Mesa

Date 05/06/2021 By: Leon Firsh

Unappropriated Reserves Available Balance \$ 1,476,974.03 (603-3900)

Certification of Unencumbered Balance

I HEREBY CERTIFY that the indebtedness and obligation as docketed can be incurred; that sufficient monies to meet the obligations are actually in the Treasury, or are anticipated to come into the Treasury to the credit of the appropriation from which the same are to be drawn; and that said monies now actually in the treasury, together with the monies anticipated to come into the Treasury, to the credit of said appropriation are otherwise unencumbered.

Amount Not to Exceed

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Director of Finance  
City of La Mesa

Date: By:

Fund: Dept./Activity:

Purpose: