

Date of Action: 3/11/13	
Approved <input checked="" type="checkbox"/>	Denied <input type="checkbox"/>
By: <i>Hornik</i>	

CITY COUNCIL ACTION MEMORANDUM

AM No. 13-10: Contract Award in the amount of \$35,000 for an Asphalt Melter Applicator from the State of Alaska Equipment Fleet Contract.

Originator: Public Works Director
 Date: March 1, 2013

Agenda of: March 11, 2013

Route to:	Department Head	Signature	Date
X	Public Works Director	<i>[Signature]</i>	3/1/13
X	Finance Director	<i>[Signature]</i>	3-1-13
X	Deputy Administrator	<i>[Signature]</i>	3-1-13
X	City Clerk	<i>[Signature]</i>	3/4/13

Reviewed by Mayor Verne E. Rupright: *[Signature]*

3-4-13

Fiscal Impact: yes \$35,000

Funds Available: yes

Account name/number: Asphalt Melter Applicator/110-4320-432.45-55

Attachments: State of Alaska Equipment Fleet Contract (9 pages)

Summary Statement: This equipment purchase will replace the road department's existing asphalt metler that has a cracked heating element and has been in service for ten years. This purchase is being proposed in accordance with Wasilla Municipal Code 5.08.100.B.8 utilizing an existing government contract that has been awarded to a vendor under a competitive bidding procedure. In this case, Yukon Equipment in Anchorage has been awarded the government contract (CA1721-12) for an asphalt melter through the Alaska Department of Transportation Equipment Fleet procurement program.

This is a trailer mounted unit that is used to melt asphalt for the purpose of crack sealing paved roads and airport pavement. Crack sealing asphalt surfaces is the primary maintenance technique to maximize the life of pavement for city roads and the airport.

Staff Recommendation: Adopt AM No. 13-10.

CONTRACT AWARD	STATE OF ALASKA HQ, STATE EQUIPMENT FLEET (Contracting Authority) 2200 E. 42nd Avenue Anchorage, Alaska 99508	CONTRACT AWARD NUMBER CA1721-12
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ORDERING DEPARTMENT: HEADQUARTERS, STATE EQUIPMENT FLEET 2200 E. 42ND AVENUE ANCHORAGE, ALASKA 99508 (907) 269-0783 PHONE / (907) 269-0661 FAX	DATE OF CONTRACT: APRIL 27, 2011 DATE INITIAL CONTRACT BEGINS: APRIL 27, 2012 DATE INITIAL CONTRACT ENDS: APRIL 30, 2013 NUMBER & PERIOD OF RENEWALS: 1 YEAR CONTRACT NO RENEWALS RENEWALS EXPIRE (MO/YR): ISSUED IN ACCORDANCE WITH BID # SEF- 1721 DATED: MARCH 22, 2012 ESTIMATED VALUE OF INITIAL TERM: \$150,000.00
CONTRACTOR: YUKON EQUIPMENT INC. ADDRESS: 2020 E. 3RD AVENUE ANCHORAGE, AK 99501 CONTACT NAME: EARL LACKEY PHONE NUMBER: 907-277-1841 E-MAIL: EARL@YUKONEQ.COM	

SEND INVOICES IN DUPLICATE TO: STATE EQUIPMENT FLEET, 2200 E. 42ND AVENUE, ANCHORAGE AK 99508

THIS ORDER CONSTITUTES A BINDING COMMITMENT BETWEEN THE STATE AND THE CONTRACTOR LISTED HEREON. UNAUTHORIZED MODIFICATION WITHOUT THE EXPRESSED PRIOR APPROVAL OF THE CONTRACTING AUTHORITY WILL RESULT IN A FINANCIAL OBLIGATION ON THE CONTRACTOR AND/OR UNAUTHORIZED STATE PERSONNEL MAKING THE CHANGE.

DESCRIPTION

CONTRACT TO PURCHASE

LOT 1
125 GALLON ASPHALT MELTER APPLICATOR WITH COMPRESSOR

LOT 2
125 GALLON ASPHALT MELTER APPLICATOR WITHOUT COMPRESSOR

CONTRACTING OFFICER
DUANE FELTON
PHONE: 907-269-0788

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CONTRACTING AUTHORITY NAME & TITLE DUANE FELTON, CONTRACTING OFFICER II	SIGNATURE  4/27/2012
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CONTRACTOR AUTHORITY NAME & TITLE EARL P. LACKEY SALES MANAGER	SIGNATURE  5/1/2012
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IMPORTANT 1. Contract award number and ordering department name must appear on all invoices and documents relating to this order.
 2. The State is registered for tax free transactions under Chapter 32, IRS Code Registration No. 92-601185. Items are for the exclusive use of the State and not for resale.

**SECTION I
SPECIAL TERMS AND CONDITIONS**

1.0 CONTRACT INTENT: (2) Two Contract Awards:

- 1.1 Lot 1: Purchase of 125 Gallon Trailer Mounted Crack Seal Melter Applicator with Compressor.
- 1.2 Lot 2: Purchase of 125 Gallon Trailer Mounted Crack Seal Melter Applicator without Compressor.
- 1.3 Contract Period: 1 Year with No Renewals
- 1.4 Quantities: 2 at initial start of contract, 2-4 possible additional units during the duration of the contract.
- 1.5 Location of Use: Statewide
- 1.6 Warranty locations: Anchorage, Fairbanks
- 1.7 In addition to the State of Alaska requirements, the Municipality of Anchorage and other Alaska political subdivisions may cooperatively purchase from the resulting contract.
 - 1.7.1 At no time may the contractor change the terms and conditions, alter the price to another entity, which differs from the contractual price, nor charge undisclosed administrative fees to allow cooperative purchasing.

2.0 DELIVERY:

- 2.1 **Pre-delivery service:** Prior to delivery, each vehicle, piece of equipment or attachment shall be serviced and inspected by the dealer or his agent. Inspection must include the following (as applicable to the type of equipment):
 - 2.1.1 Dealer and vehicle identification.
 - 2.1.2 Check-off of service and inspection performed including a list of all fluids including type weight and specification that are in the equipment as delivered for all fluid compartments.
 - 2.1.3 The vehicle's crankcase, differential and transmission, and other fluid compartments shall be filled to the manufacturer's recommended capacity.
 - 2.1.4 Fuel tank shall be filled to at least register a minimum ¼ full on the fuel gauge, unless restricted by the commercial carrier, when the vehicle arrives at the delivery location.
 - 2.1.5 The vehicle shall be clean and free from defects when delivered and should be ready for immediate and continued use upon delivery.
 - 2.1.6 Units delivered in an incomplete state, or which have deficiencies per the specification, are subject to the damage charges as noted in paragraph 5.0 below.
- 2.2 **Delivery Receipt:**
 - 2.2.1 A delivery receipt will be required. The receipt must be filled out by the vendor, and acknowledged by state receiving personnel by signature and date of actual receipt of equipment. One copy of this delivery receipt is to be given to the state-receiving agency.
 - 2.2.2 Vendors are cautioned and advised that such delivery forms or other receiving type documents will not in any way be construed to mean the state has formally and fully accepted unit(s) referenced thereon as complete and meeting every specification set forth. Only the Contracting Officer or designee may sign warranty documentation.

3.0 F.O.B. POINT:

- 3.1 The F.O.B. point is as listed in Section IV, Price Schedule. Ownership of and title will remain with the contractor until delivery is complete to final destination and accepted by the State. Equipment is not to be driven on the Alcan Highway without prior written approval from the contracting officer.
- 3.2 The cost of shipping and delivery for orders beyond the limits of Seattle/Tacoma dock will be handled as follows. The contractor will prepay the shipping and delivery charges to any destination named by the State in its order. The contractor will charge-back those shipping and delivery charges to the State as a separate line item on the State's invoice.

- 3.3 All shipping charges over \$100 must be documented by a copy of the actual shipping invoice and received with the invoice charge to the State.
- 3.4 Shipping must be consolidated for the best possible price. Shipping items separately must be pre-approved by the Contracting Officer PRIOR to shipment. For example, GP Bucket or Spare Tire not being shipped with host unit must be pre-approved.

4.0 DAMAGES FOR LATE DELIVERY AND NON-CONFORMING GOODS:

- 4.1 Time is of the essence in this contract. The Bidder is expected to deliver goods that conform in all material respects to the contract specifications on or before the date provided therein, as may be amended by written agreement of the parties.
- 4.2 In the event that the equipment is delivered late or does not conform to the contract specifications, the State shall be entitled to offset against the Contract Price, as liquidated damages and not as a penalty, an amount equal to the cost of renting like equipment, multiplied by the number of calendar days elapsing between the delivery date provided in the bid schedule and the delivery date to the State. In the case of a truck of this class, that daily rental fee is determined to be \$100.00. The number of days for which liquidated damages shall apply shall include, in the case of non-conforming goods, the time reasonably necessary for the State to perform inspection.
- 4.3 These liquidated damages represent a reasonable estimate of amounts necessary to compensate the State for loss of use of the goods during the period in which the goods would have been available to the State if conforming goods had been timely delivered.

5.0 WARRANTY:

- 5.1 **Standard Warranty Package:** Unless otherwise stipulated by this ITB, the successful bidder will provide a one-year (12-month) warranty.
 - 5.1.1.1 Full (100%) Parts and Labor Warranty Coverage of all components for 12 months (year one), from the date the unit is placed in service at the assigned location.
 - 5.1.1.2 Full (100%) Warranty Coverage includes all cost of labor, parts, freight, lubricants, miscellaneous cost, etc., to place the unit in like-new condition.
 - 5.1.2 Should the manufacturer's standard warranty exceed the minimum State warranty requirements, the manufacturer's warranty will run in conjunction with and enhance the State's warranty, then continue for the remainder of its term.
 - 5.1.3 For clarification, warranty does not apply to normal wear and tear or maintenance items, accident damages, misuse of equipment or failure to operate or maintain equipment as prescribed by vendor/manufacturer.
 - 5.1.4 Warranty on Attachments: Same as Standard Warranty Package.
 - 5.1.5 In-Service Date: Warranty on vehicles not placed in service immediately upon receipt because of time lag to construct body components and/or installation of special equipment, or due to seasonal usage or other delay, shall be warranted from the date the vehicle is placed in service. The receiving agency shall notify the vendor/manufacturer in writing of the actual "in service" date. Notification of the requirement for delayed warranty will be provided on delivery orders whenever possible.
- 5.2 **Warranty Claims:**
- 5.2.1 Warranty will be provided at the unit's assigned (in-service) location. Because of the remote location of some equipment it is not always practical to deliver equipment to authorized warranty repair facilities. In these cases, the vendor may perform warranty work at the state's location or, the State of Alaska, at its discretion, reserves the right to perform the warranty work and be reimbursed by the vendor. If travel is required by State personnel to perform the work, actual costs will be used for reimbursement.
 - 5.2.2 The State of Alaska has established a warranty procedure whereby the vendor is to be notified via letter, email, or fax, that warranty work needs to be performed. If time is of the essence, a telephone call confirmed by one of the above written procedures may be utilized.

- 5.2.3 The vendor must notify the state within 24 hours of verbal or written notification that it will begin to perform the warranty work at the equipment location.
 - 5.2.4 The State may, at its discretion, proceed to make warranty repairs with its own work force in the case of emergency situation or to preclude excessive downtime (greater than 24 hours). The State will require a PO to perform the warranty work.
 - 5.2.5 Failure to notify the State that the vendor intends to begin to perform warranty is considered a contractual breach.
 - 5.2.6 The vendor will be invoiced for required warranty work performed by the state. Warranty work performed by the state will be charged at the current SEF shop labor rate at the time of the repair. Actual repair time will be used.
- 5.3 **Warranty Performed by Vendor:**
- 5.3.1 The State will reimburse travel costs not reimbursed by the manufacturer for travel to and from the bidder's closest warranty service center within the State of Alaska to the location of the equipment under warranty. Travel costs will be billed as follows
 - 5.3.1.1 Mileage Charge: Mileage will only be reimbursed for travel within Alaska at the rate allowable by the IRS.
 - 5.3.1.2 Meals are paid at actual and charges must be accompanied by receipts and are not to exceed the State authorized \$60.00 per day.
 - 5.3.1.3 Transportation, such as airfare, shall be reimbursed at actual and all charges are to be accompanied by a receipt/copy of the coach ticket.
 - 5.3.1.4 Lodging shall be reimbursed at actual and shall not exceed \$150.00 per night unless no other lodging is available. Requests for reimbursement must be accompanied by a receipt.
 - 5.3.2 Travel will only be reimbursed for time in Alaska.
 - 5.3.3 After hours, weekend and holiday travel must be approved by the contracting officer to be considered for reimbursement. The State will not pay for weather delays.
- 5.4 **Authorized Warranty Dealer (Contractor):**
- 5.4.1 Contractor (bidder) must have all required licenses, facilities, equipment and factory certified and trained personnel necessary to perform the warranty servicing and repair work.
 - (*) Yukon Equipment Inc. 2020 E. 3rd Ave. Anchorage, AK 99501
 - Yukon Equipment Inc. 3501 International St. Fairbanks, AK 99701
 Provide contact name and contact information for Warranty Administrator:
 - (*) Yukon Equipment Inc. 2020 E. 3rd Ave. Anchorage, AK 99501
 - Yukon Equipment Inc. 3501 International St. Fairbanks, AK 99701
 - 5.4.2 The ultimate responsibility for warranty lies with the contractor (bidder).
 - 5.4.3 The State reserves the right to inspect the warranty facility and diagnostic equipment prior to issuing the Notice of Intent to Award a contract.
- 5.5 **Factory Recall:**
- 5.5.1 Nationwide factory recall or product update programs are the responsibility of the vendor and/or manufacturer. The State will attempt to bring affected equipment to an authorized repair facility. However, because of the remoteness of some equipment this is not always practicable or economical. In such cases, factory recall and modification work will be handled the same as warranty work. Factory recall notices sent to the state should, in addition to serial number, include model, year, and dealer.

6.0 REPAIR ORDERS AND DOCUMENTATION:

- 6.1 Any work performed by the contractor or approved subcontractor, whether warranty or any other work on a piece of equipment purchased under this ITB, will require a copy of the repair order, any invoices showing parts and commodities including oils and types used.

7.0 PUBLICATIONS:

- 7.1 Paper publications are to be received by the State of Alaska no later than 10 days after receipt of the unit. Custom manuals may be delivered no later than 90 days after receipt of the unit. Delivery will not be considered complete until the publications for each unit have been received by the State of Alaska. Note: Publications, when required, will be ordered on the same Purchase Order as the unit itself.

7.1.1 All paper manuals are to be pre-assembled in factory binders prior to delivery.

7.2 Service Manuals:

7.2.1 Complete set(s) to include applicable information covering prime unit and attachments:

7.2.2 Body, chassis, and electrical

7.2.3 Engine, transmission, and differential(s) (service and rebuild)

7.2.4 Electrical and vacuum troubleshooting

7.2.5 Wiring diagrams

7.2.6 Service specifications

7.2.7 Engine/emission diagnosis

7.3 Parts Manuals:

7.3.1 Complete set(s) including all updates. If updates are not provided during the warranty period, the State may order them from the manufacturer and bill the contractor for the full cost, including shipping.

7.3.2 Parts manuals are to be customized by serial number.

7.4 **Operator's Manuals:** Complete set(s) to include prime unit and attachments.

7.5 **Quantities:** As per Section IV – Bid Price Schedule.

7.6 **Manuals:** To be delivered to, and receipt signed by person(s) as noted on the Purchase Order.

7.7 Line Sheet/Bill of Materials:

7.7.1 It is required within 30 days after delivery that the successful bidder provides a comprehensive listing of all components used to assemble the unit.

7.7.2 This includes any components installed by the manufacturer or any subcontractor or the successful bidder.

7.7.3 Information will include at a minimum, when available, make, model serial number on items such as engines, transmissions, axles, tires, bodies, etc. The listings will be specific to each piece of equipment and will be provided on an individual CD for each unit delivered.

7.7.4 A minimum of two (2) CD's per unit are to be provided and marked with the make, model, and last main numbers of the units serial number or State PO number.

7.8 **Service Bulletins, Etc.:** The successful bidder must provide appropriate service bulletins, technical support bulletins, service letters, product support bulletins, and/or any other information type notifications that are sent out to the vendor or used by the manufacturer in the maintenance and report of the vehicle, equipment or attachments being provided. The intent of this clause is that the State of Alaska be provided notification of any and all changes or improvements that may affect the maintenance, reliability, longevity, and safety of our equipment. This information will be provided as soon as possible to person(s) as noted on the Purchase Order.

8.0 STATEMENT OF ORIGIN: The bidder will be required to furnish a Manufacturer's Statement of Origin for Automotive or Non-Automotive rolling stock for each unit. All such documents shall be forwarded to:

DOT&PF, HQ State Equipment Fleet
2200 E. 42nd Avenue Room #311
Anchorage, Alaska 99508

9.0 INSPECTIONS:

9.1 The State's inspection of all materials and equipment upon delivery is for the sole purpose of identification. Such inspection shall not be construed as final or as acceptance of the materials or equipment if materials or equipment do not conform to Contract requirements. If there are any apparent defects in the materials or equipment at the time of delivery, the State will promptly notify the Contractor thereof. Without limiting any other rights of the State, The State at its option, may require the Contractor to:

9.1.1 repair or replace at contractor's expense, any or all of the damaged goods,

9.1.2 refund the price of any or all of the damaged goods, or

9.1.3 accept the return of any or all of the damaged goods.

9.2 Costs of remedying all defects, indirect and consequential costs of correcting same, and/or removing or replacing any or all of the defective materials or equipment will be charged against the bidder.

10.0 PRICE:

10.1 **Price Guarantee:** The Contractor is responsible to maintain prices under the contract firm for 90 days after bid opening. All price increases or decreases must remain firm for the following 90 days.

10.2 **NO RETROACTIVE PRICE INCREASES WILL BE ACCEPTED.**

10.3 Price adjustments, increases or decreases, for subsequent orders, may be made by providing the Contracting Officer satisfactory evidence that all of the following conditions exist:

10.3.1 The increase is a result of the increased cost at the manufacturer's level and not costs under the contractor's control, and that;

10.3.1.1 The increase will not produce a higher profit margin for the contractor than that on the original contract, and that;

10.3.1.2 The increase affects only the item(s) that are clearly identified by the contractor.

10.3.1.3 Satisfactory forms of the evidence of the above facts may include a certified invoice from the manufacturer, or an affidavit from an independent professional price-tracking firm that is recognized by the industry as reputable and knowledgeable. The contractor must be able to show the difference between the prior year's price and the current difference in the price being requested.

10.4 **Price Decreases:** During the period of the contract, the Contractor must pass on to the state all price decreases, such as fleet rebates. A Contractor's failure to adhere strictly and faithfully to this clause will be considered a material breach of contract. The state reserves the right to cancel the contract if the contractor fails to properly perform the duties set out herein.

11.0 MANUFACTURER'S REBATE (INCENTIVES): In any circumstance during or prior to completion of the contract, whereupon the State of Alaska becomes eligible to receive a rebate for any vehicle purchased under this contract, it shall be the BIDDER'S responsibility to inform the Contracting officer in writing and to advise the procedures for obtaining such rebates.

12.0 REPLACEMENT PARTS:

12.1 The State of Alaska shall expect the dealer or manufacturer to provide replacement wear parts at their authorized warranty facilities for the entire warranty period on any given unit and/or the entire term of the contract.

12.2 Contractor will be required to have parts available in stock at their warranty locations or available within 2 business days at no additional freight cost to the state. This includes wear parts and commonly used parts for the units being sold under contract.

- 12.3 Any part number purchase more than 5 times by SOA within a contract year will be added to the required stocking list. Items may be removed from the list of required stock parts with permission from the SOA Parts Manager.
 - 12.3.1 Items to be added or removed from the required stocking list will be provided in writing from the SOA Parts Manager. Requests by the Contractor to remove items from the list of required stock parts shall be addressed to the SOA Parts manager.
- 12.4 Transportation (freight) cost for items on the list of parts required to stock shall be standard surface freight charges. No Air or Priority freight charges will be allowed for items on the required stocking list.
- 12.5 Parts Return: Within 12 months of the invoice date, the State is to be allowed to return new parts with full refund, less actual shipping charges. Returned parts will be in new, resellable condition. Refund will be in the form of a credit/invoice credited to the SOA account with the vendor.
- 12.6 Parts Warranty: All products supplied by the contractor shall be warranted against defects in materials and workmanship for a minimum of 90 days, commencing at the time of installation as long as the installation is within 12 months of purchase. The cost of any defective product and the labor required to replace the defective product shall be the obligation of the contractor.
 - 12.6.1 If the manufacturer's warranty exceeds the stated warranty then manufacturer's warranty supersedes.
- 12.7 Invoicing: Full description of item is required on all invoices, packing lists and billings.

LOT 1 CONTRACT PRICE SCHEDULE

Item #	Unit	Description	Total Amount
1a	ea	Asphalt Melter Applicator with Compressor SPAULDING CS125	\$39,901.00
1b	ea	Publications (as per Section I Item 7.0)	NO CHARGE
1c	ea	3 inch Pintle Hitch	NO CHARGE
1d	ea	V-shaped squeegee	\$75.00
1e	ea	3" applicator disk	\$50.00
1f	ea	½ inch round sealing tip	\$25.00
1g	ea	Extra electric hose	\$2,100.00
1h	ea	Hot air lance kit	\$1,200.00
1i	ea	Extra hydraulic filter	\$90.00
1j	ea	Fire extinguisher mounted on trailer frame	\$225.00
1k	ea	Hydraulic oil sight gauge	NO CHARGE
1l	ea	Mast mounted strobe light	\$350.00
1m	ea	Toolbox	\$75.00
1n	ea	Overnight heater	\$850.00

The cost of shipping and delivery for orders beyond the limits of Seattle/Tacoma dock will be handled as follows. The contractor will prepay the shipping and delivery charges to any destination named by the State in its order. The contractor will charge-back those shipping and delivery charges to the State as a separate line item on the State's invoice. All shipping charges over \$100 must be documented by a copy of the actual shipping invoice and received with the invoice charge to the State.

Required Delivery: Maximum 120 days after receipt of order (ARO). Earlier delivery time is acceptable

Final destination anywhere statewide will be noted on the purchase order

LOT 2 CONTRACT PRICE SCHEDULE

Item #	Unit	Description	Total Amount
1a	ea	Asphalt Melter Applicator <u>without Compressor</u> SPAULDING CS125	\$33,402.00
1b	ea	Publications (as per Section I Item 7.0)	NO CHARGE
1c	ea	3 inch Pintle Hitch	NO CHARGE
1d	ea	V-shaped squeegee	\$75.00
1e	ea	3" applicator disk	\$50.00
1f	ea	½ inch round sealing tip	\$25.00
1g	ea	Extra electric hose	\$2,100.00
1h	ea	Extra hydraulic filter	\$90.00
1li	ea	Fire extinguisher mounted on trailer frame	\$225.00
1j	ea	Hydraulic oil sight gauge	NO CHARGE
1k	ea	Mast mounted strobe light	\$350.00
1l	ea	Toolbox	\$75.00
1m	ea	Overnight heater	\$850.00

The cost of shipping and delivery for orders beyond the limits of Seattle/Tacoma dock will be handled as follows. The contractor will prepay the shipping and delivery charges to any destination named by the State in its order. The contractor will charge-back those shipping and delivery charges to the State as a separate line item on the State's invoice. All shipping charges over \$100 must be documented by a copy of the actual shipping invoice and received with the invoice charge to the State.

Required Delivery: Maximum 120 days after receipt of order (ARO). Earlier delivery time is acceptable

Final destination anywhere statewide will be noted on the purchase order