



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 26-328

Meeting Date: 7/21/2026

TITLE:

APPROVE THE PURCHASE OF A CATERPILLAR 938 WHEEL LOADER

DEPARTMENT: PUBLIC WORKS DEPARTMENT/GENERAL SERVICES
DIVISION

PRESENTED BY: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR

CONTACT INFORMATION: PATRICK BAUER, DEPUTY PUBLIC WORKS DIRECTOR, (714)
754-5029

RECOMMENDATION:

Staff recommends the City Council:

1. Authorize the use of Sourcewell Public Sector National Cooperative Agreement No. 011723-CAT with Caterpillar Inc. for the purchase of one (1) 2026 Caterpillar 938 Wheel Loader in the amount of \$349,368.97.
2. Authorize the City Manager to execute all necessary documents for the above purchase.

BACKGROUND:

Public Works has relied on an outdated backhoe to aid in the transfer of organic material, such as compost and mulch material, and for the disposal of bulky items. The current backhoe is in poor condition and frequently experiences severe mechanical issues, resulting in increased staff time utilizing other equipment not designed to load organic material into vehicles for distribution.

The City's adopted FY 2026-27 Equipment Replacement Fund 601 budget included the purchase of the proposed CAT 938-Wheel Loader.

ANALYSIS:

SB 1383 requires jurisdictions to purchase and/or distribute products made from recovered organic waste (including compost and mulch) to meet annual procurement targets. The purchase of this piece of equipment will aid staff in distributing compost and mulch material to meet the City's annual procurement target.

In April of 2024, the City received grant funding to cover expenditures related to SB 1383 compliance. The proposed CAT 938 Wheel Loader will be funded in part by grant funds and the remainder covered through the FY 2026-27 Equipment Replacement Fund 601 budget.

The purchase of the loader from Quinn Company through the Sourcewell Public Sector Cooperative Agreement No. 011723-CAT (Attachment 1) complies with all requirements in the City of Costa Mesa's Purchasing Policy, as well as all State of California regulations regarding regional cooperative purchasing agreements. Sourcewell established an approved vendor list following a nationwide competitive bid process. This ensures that the City receives the lowest available pricing and meets the competitive bid process requirements. The City has utilized cooperative purchasing agreements successfully for several previous related purchases.

ALTERNATIVES:

The alternative to purchasing a new wheel loader is to continue repairing the existing backhoe. Staff does not recommend this alternative because repairs may exceed the value of the current unit. In addition, staff recommends the purchase be approved as expenditures for the SB 1383 Local Assistance Grant, which must be completed by November 1, 2026.

FISCAL REVIEW:

The total cost for the purchase of the wheel loader, in the amount of \$349,368.97 is available in the FY 2026-27 Adopted Budget. Additionally, CalRecycle's SB 1383 Local Assistance Grant funds (Fund 231) has available funding in the amount of \$156,850.82 for the purchase of the wheel loader. The remaining amount of \$192,518.15 will be funded by the FY 2026-27 Equipment Replacement Fund (Fund 601) budget.

LEGAL REVIEW:

The City Attorney's Office has reviewed this agenda report and approves as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item works toward achieving the following City Council goal:

- Maintain and enhance the City's infrastructure, facilities, equipment, and technology.

CONCLUSION:

Staff recommends the City Council:

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