

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS

SOLE SOURCE PROCUREMENT PROPOSAL

DATE: January 8, 2025
TO: Managing Members
FROM: Rick Atkinson, Director, Equipment Maintenance
Alex Compton, Manager, Contracts & Purchasing
SUBJECT: Sole Source: Used Electric Forklift (36k lbs.) from NC Machinery

A. SYNOPSIS

Staff have identified the need for a specialized 36,000 lb. used electric forklift. There is a used option available through NC Machinery that will meet operational needs, and it is the best value option obtainable based on the overall cost to the NWSA. A comparable new model that meets the required specifications has been quoted by NC Machinery at \$405,000 (not including state or local taxes or additional required components). This is nearly double the price of the model used at \$235,000.

B. BACKGROUND

Staff is requesting to sole source the specified model forklift. Putting this out for solicitation is not recommended, as the price typically increases during the bid process due to limited supply versus high demand. As mentioned, this is the sister unit to one already in operation. The NWSA will save money on maintenance training, operator training, and spare parts inventory costs by having the units matching.

C. CURRENT STATUS

The NWSA already has one of these model forklifts in operation (Kalmar ECG160-12) and therefore can leverage current maintenance training and spare parts, further reducing the overall cost to the NWSA. There are currently no competitive alternatives available in our geographical market. As mentioned, compatibility exists with current equipment and there is an overlap with existing standards/training requirements for operation and maintenance since we own and operate another exact model from this vendor. This is the sole vendor of the desired make and model of forklift that meets the agency's needs. We specifically request a "used" model from a reputable vendor to guarantee best value for the NWSA while ensuring financial responsibility.

D. FINANCIAL IMPLICATIONS

The cost for the used 36,000 lb. electric forklift is quoted at \$235,000, including the charger and extra components needed for operational success. A new

comparable model is listed at \$405,000, including the charger, but we would need to add another \$20,000 in parts to make it viable for operations.

This is a grant funded purchase through Washington State Department of Transportation agreement GCC1141 (Purchase of zero emissions cargo handling equipment and charging infrastructure deployments at the East Blair One (EB1) Terminal in Tacoma). An order of precedence clause will be included in the purchase order to ensure grant terms are acknowledged and adhered to.

There are two additional smaller forklifts that will be procured via standard solicitation methods also utilizing this grant. The Kalmar ECG160-12 is the only model that is available used of the three required sizes.

E. ENVIRONMENTAL IMPACTS

This is an electric forklift and will continue to reduce the carbon footprint of the NWSA.

F. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

A new comparable model is listed at \$405,000, including the charger, but we would need to add another \$20,000 in parts to make it viable for operations. This would place the new purchase at nearly double the price of the used option. While there are other used options, this is the only one available currently that is the same make and model as a unit we already have in operation, which we can leverage for reduction in training and maintenance costs.

G. ATTACHMENTS

- Attachment 1: Quotation Number Q-28175-1
- Attachment 2: WASDOT Agreement GCC1141

H. NEXT STEPS

After filing this request with the Managing Members today, managing members have three (3) days to review this proposal, ask questions and share concerns. Staff will also make the sole source proposal available to the public during the same period. If there are no further concerns following this 3-day period, staff will move forward to complete the purchase.