

W.7.C.1.

AGENDA COVER MEMO

DATE: July 21, 2004
TO: Lane County Board of Commissioners
DEPT: Public Works
PRESENTED BY: Dale Wendt, Public Works Support Services Manager
AGENDA ITEM TITLE: In the Matter of Awarding a Contract to Peterson Machinery Co., in the amount of \$628,408.00, for the Purchase of One (1), New Landfill Compactor, with no trade-in, Contract FY04/05 FS-02.

I. MOTION

MOVE TO AWARD A CONTRACT TO PETERSON MACHINERY CO., IN THE AMOUNT OF \$628,408.00 FOR THE PURCHASE OF ONE (1) NEW, LANDFILL COMPACTOR AS SPECIFIED IN CONTRACT FY04/05 FS-02.

II. ISSUE OR PROBLEM

Shall Lane County approve awarding a contract to Peterson Machinery Co., for the purchase of One (1) new, Landfill Compactor required by the Waste Management Division?

III. DISCUSSION

A. Background

Lane County Department of Public Works Waste Management Division currently operates two (2) landfill compactors at the Short Mountain Landfill. These machines are used to compact, pulverize, and distribute solid waste refuse. Landfill compactors have a projected useful lifecycle of approximately 10,000 hours. The newest compactor, purchased in 2002, has been in operation approximately 2500 hours and projected to be replaced in 2007. When this unit was purchased, the compactor it replaced was kept as a backup unit. The backup unit has been in service more than 12,000 hours.

The landfill compactors' role at the landfill is to process and compact waste, allowing more trash to be placed in the permitted airspace and thus extending the useful life of the landfill. In addition, by pulverizing and compacting the trash, the compactor leaves a smooth surface that facilitates placement of mandatory daily cover materials.

The Solid Waste Association of North America considers 1000 pounds per cubic yard to be a minimum standard for landfill waste density – so at roughly 1600 pounds per cubic yard, waste density in Short Mountain's Phase III disposal cell is considered exceptional. However, greater density is achievable, and each increase in compaction of only ten pounds per cubic yard in the new Phase IVa cell will yield an additional 5578 tons of total capacity, with a corresponding increase in revenue of \$251,025 at current fee rates.

By eliminating compaction losses due to equipment downtime and by providing additional waste processing capability, continued operation of a second compactor should yield waste densities in the range of 1650 pounds per cubic yard. An increase in density of 50 pounds per cubic yard would

result in additional capacity of 27,900 tons and additional revenue of \$1,255,000 over the life of the cell at current fee rates.

In addition to increasing waste density, increased waste processing results in a smoother surface and so decreases labor costs associated with placement of alternative daily cover. A saving of only 20 minutes tarping time, morning and afternoon, for a crew of six workers results in an additional 20 worker hours each week that can then be applied to other duties, including additional waste processing.

Finally, less time spent tarping and smoother surfaces on the active fill area resulting from better waste processing should result in fewer injuries to landfill workers, and in fact we have observed such a reduction. The landfill crew has operated both compactors since July 2002. The workers' compensation claim rate for FY 02/03 and 03/04, when compared to the rate for FY 00/01 and 01/02, has dropped 27%.

B. Analysis

The County received two (2) responses from its invitation to bid. The low bid of \$628,408.00, with a guaranteed repurchase of \$150,000.00 in five (5) years, was submitted by Peterson Machinery Co., with two (2) minor acceptable deviations from the published specifications.

This purchase was approved in the Fleet Services FY04/05 budget and the bid price is within the budgeted amount. Funds for this additional Compactor will be supplied from the Solid Waste Equipment Replacement Fund administered by Fleet Services. The 3.5M fund balance for this division has approximately \$300,000.00 in surplus equipment reserves. The additional \$330,000.00 required for this purchase will be borrowed against future equipment replacement reserves in the Solid Waste Replacement Fund, and repaid through an increase in the compactor rental rate over the life of the equipment unit.

C. Alternatives/Options

1. Purchase the above-described unit at this time.
2. Do not purchase at this time. If the unit is not purchased, it is expected that waste densities will decrease, while daily cover labor costs and workers' compensation claim rates will increase.

D. Recommendation

It is recommended that the Board approve entering into a contract with Peterson Machinery Co., for the purchase of one (1) new landfill compactor as specified in FY04/05 FS-02.

E. Timing

Upon approval of the Board, a contract will be executed between Peterson Machinery Co., and the County Administrator.

IV. IMPLEMENTATION/FOLLOW-UP

None.

V. ATTACHMENTS

Board Order

Bid Recap

IN THE BOARD OF COMMISSIONERS OF LANE COUNTY
STATE OF OREGON

ORDER

(IN THE MATTER OF AWARDING A
(CONTRACT TO PETERSON MACHINERY
(CO., IN THE AMOUNT OF \$628,408.00,
(FOR THE (PURCHASE OF ONE (1) NEW,
(LANDFILL COMPACTOR, WITH NO
(TRADE-IN, CONTRACT FY04/05 FS-02.

WHEREAS, at the duly publicized place and time on June 1, 2004, an authorized representative of the Department of Public Works, opened bids on the following:

One (1), New, Landfill Compactor, with no trade-in, Contract
FY04/05 FS-02; and

WHEREAS, the lowest responsive bid with two (2) minor acceptable deviations was received from Peterson Machinery Co. in the amount of \$628,408.00, and the Director of the Department of Public Works recommends that the bid be accepted; therefore it is hereby

ORDERED that the bid received from Peterson Machinery Co. be accepted as recommended; and it is further

ORDERED that a contract be awarded to Peterson Machinery Co. in the amount of \$628,408.00 in accordance with the bid specifications; and it is further

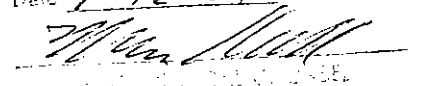
ORDERED, that a contract be executed in accordance with this Order and the bid specifications and the County Administrator be authorized to sign the contract.

DATED this ____ day of July, 2004.

Chair, Lane County Board of Commissioners

APPROVED AS TO FORM

Date 7-12-04 lane county


COUNTY ADMINISTRATOR

CONTRACT FY04/05 FS-02

Bid Opening: Tuesday, June 1, 2004

BID RECAP

ONE (1), NEW, UNUSED CURRENT-MODEL LANDFILL COMPACTOR WITH NO TRADE-IN.

<u>VENDOR</u>	<u>MAKE /MODEL</u>	<u>BID PRICE</u>	<u>GUARANTEED REPURCHASE</u>	<u>BID BOND/CHECK</u>
Aljon	No Bid			
Peterson Cat	CAT 836G	\$628,408	\$150,000	Bid Bond
Clyde West	Bomag BC1172RB	\$639,998	\$118,000	Bid Bond