

W. 9. C. 2

**AGENDA COVER MEMO**

**Memorandum Date:** January 25, 2006

**Order Date:** January 25, 2006

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**TO:** Lane County Board of Commissioners

**DEPT:** Public Works

**PRESENTED BY:** Phillip Guyette, Public Works Fleet Manager

**AGENDA ITEM TITLE:** In the Matter of Awarding a Contract to Modern Machinery Co., Inc. in the amount of \$137,410.00, for the Purchase of One (1), new Diesel-Powered Hydraulic Excavator, Contract FY05/06 FS-08.

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**I. MOTION**

MOVE TO AWARD A CONTRACT TO MODERN MACHINERY CO., INC. IN THE AMOUNT OF \$137,410.00, FOR THE PURCHASE OF ONE (1) NEW, DIESEL-POWERED HYDRAULIC EXCAVATOR, AS SPECIFIED IN CONTRACT FY05/06 FS-08.

**II. ISSUE OR PROBLEM**

Shall Lane County approve awarding a contract to Modern Machinery Co., Inc. for the purchase of one (1), new Diesel-Powered Hydraulic Excavator, required by Public Works Engineering Division?

**III. BACKGROUND/IMPLICATIONS OF ACTION**

**A. Board Action and Other History**

Lane County Department of Public Works Engineering Division operates one (1) Diesel-Powered Knuckle-Boom Hydraulic Excavator. This machine is used for material handling and excavation projects throughout the County. In February of 2005, this excavator was destroyed by an arson caused fire. Public Works Engineering Division has been renting a replacement excavator since March of 2005.

**B. Policy Issues**

None

**C. Board Goals**

Purchase of this equipment is necessary to provide direct and indirect services to the citizens of Lane County, to maintain satisfactory operations of the County's road system, and to meet the health, safety, and economic good of the citizens and industries of our community as defined in Section B3.a.2 of the Strategic Plan.

#### **D. Financial and/or Resource Considerations**

The County received \$61,500.00 in an insurance settlement for the loss of this equipment unit. Additionally, the destroyed excavator had accrued \$93,853.00 in the Fleet Replacement Account, providing \$155,353.00 available to replace this machine. Although this equipment unit was not budgeted for purchase in the Fleet Services FY05/06 budget, sufficient funds are available to replace the excavator at this time.

#### **E. Analysis**

The County received two (2) responses from its invitation to bid. The low bid of \$135,793.00, submitted by Peterson Machinery Inc., contained seven (7) major, unacceptable deviations from the published specifications. A bid of \$137,410.00, submitted by Modern Machinery Co., Inc. contained no deviations from the published specifications.

#### **F. Alternatives/Options**

1. Purchase the above described equipment unit from Modern Machinery Co., Inc. at this time.
2. Purchase the above described equipment unit from Peterson Machinery Co., Inc. at this time. The unit bid by Peterson Machinery Inc., fails to meet the operational requirements of the Department. It is physically smaller and lighter, lacking sufficient horsepower and bucket capacity for its intended use.
3. Do not purchase at this time. The Department is currently renting Diesel-Powered Hydraulic Excavator for \$3,850.00 per month. Based on projected usage, the break-even point for ownership vs. rental is less than 36-months.

#### **IV. Timing/Implementation**

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

#### **V. Recommendation**

It is recommended that the Board approve entering into a contract with Modern Machinery Co., Inc. for the purchase of one (1) new, Diesel-Powered Hydraulic Excavator as specified in FY05/06-F08.

#### **VI. Follow-up**

None.

#### **V. VII. 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 MODERN MACHINERY  
CO., INC. IN THE AMOUNT OF  
(\$137,410.00 FOR THE PURCHASE OF  
ONE (1), NEW, DIESEL-POWERED  
HYDRAULIC EXCAVATOR, CONTRACT  
FY05/06 FS-08.

**WHEREAS**, at the duly publicized place and time on December 20, 2005, an authorized representative of the Department of Public Works, opened bids on the following:

One (1), New Diesel-Powered Hydraulic Excavator, Contract FY05/06 FS-08

**WHEREAS**, the lowest responsive bidder with several unacceptable deviations was submitted by Peterson Machinery Inc. in the amount of \$135,793.00. A bid of \$137,410.00 was submitted by Modern Machinery Co., Inc. containing no deviations, and the Director of the Department of Public Works recommends that the Modern Machinery Co., Inc. bid be accepted; therefore it is hereby

**ORDERED** that the bid received from Modern Machinery Co., Inc. be accepted as recommended; and it is further

**ORDERED** that a contract be awarded to Modern Machinery Co., Inc. in the amount of \$137,410.00 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 25<sup>th</sup> day of January, 2006.

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Bill Dwyer, Chair  
Lane County Board or Commissioners

APPROVED AS TO FORM

Date 1-9-06 Lane County

  
OFFICE OF LEGAL COUNSEL

**CONTRACT FY05/06 FS-08**

Bid Opening: Tuesday, December 20, 2005, 10:15 a.m.

**BID RECAP**

ONE (1), NEW, UNUSED, CURRENT-MODEL, DIESEL POWERED HYDRAULIC EXCAVATOR, WITH NO TRADE-IN

<u>VENDOR</u>	<u>MAKE/MODEL</u>	<u>AMOUNT/EACH</u>	<u>TOTAL AMOUNT</u>	<u>BID BOND/CHECK</u>
Modern Machinery	Kamatsu PC 158 USLC-2	\$137,410	\$137,410	Bid Bond

Optional Equipment:

<u>Item #</u>	<u>Description</u>	<u>Cost Each</u>
III,2,a	Windshield Guard	\$4,652
III,2,b	Rock Guards	\$2,880
III,2,c	Body Guard	\$1,200

Petersen Machinery Cat 314CLCR \$135,793 \$135,793 Bid Bond

Optional Equipment:

<u>Item #</u>	<u>Description</u>	<u>Cost Each</u>
III,2,a	Windshield Guard	\$1,600
III,2,b	Rock Guards	\$1,250
III,2,c	Body Guard	\$ 584