

W8E5

## AGENDA COVER MEMO

**Memorandum Date:** January 3, 2007

**Order Date:** January 3, 2007

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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 Peterson Machinery Co., in the amount of \$256,176.00, with one (1) trade-in, for the Purchase of one (1), New, Crawler Tractor, Contract FY06/07 FS-04.

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### I. MOTION

MOVE TO AWARD A CONTRACT TO PETERSON MACHINERY CO., IN THE AMOUNT OF \$256,176.00, FOR THE PURCHASE OF ONE (1) NEW, CRAWLER TRACTOR, AS SPECIFIED IN CONTRACT FY06/07 FS-04.

### II. ISSUE OR PROBLEM

Shall Lane County approve awarding a contract to Peterson Machinery Co., for the purchase of one (1) new, Crawler Tractor required by Waste Management Division to replace one (1) existing machine as per established replacement criteria?

### III. BACKGROUND/IMPLICATIONS OF ACTION

#### A. Board Action and Other History

Lane County Department of Public Works Waste Management Division operates one (1) 80,000 pound class landfill crawler to process refuse at the Glenwood Central Receiving Station. This machine is used to load refuse into 125 cubic yard trailers for transport to the landfill. Crawler tractors in this application have a scheduled lifecycle of 5-years or 10,000 – 12,000 service hours.

#### 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**

This equipment was approved for purchase in the Fleet Services FY06/07 budget, sufficient funds are available for this acquisition, and the purchase price is within the budgeted amount. The bidder has offered to repurchase the crawler tractor at the end of its five-year service life for \$225,000.00.

**E. Analysis**

Crawler tractors operating in refuse environments are subjected to extremely harsh conditions, requiring an overhaul of most major components between 12,000 – 14,000 hours of service. An overhaul of this nature would take the machine off line for approximately four weeks, severely impacting operations at the Glenwood Central Receiving Station. Overhaul cost estimates run from \$100,000 - \$125,000.00, and deemed to be not economically cost effective. The current crawler tractor in this application has been in service approximately 13,000 hours and has reached the end of its economic life.

The County received 1 (one) response from its invitation to bid. The \$256,176.00 bid, with one (1) trade-in, submitted by Peterson Machinery Co., contained no deviations from the published specifications.

**F. Alternatives/Options**

1. Purchase the above described crawler tractor from Peterson Machinery Co., at this time.
2. Do not purchase at this time. The existing crawler tractor has been in service five-years and operated approximately 13,000 hours. If not replaced, this unit will require a major overhaul of the engine, drive train, and undercarriage components. Downtime for a repair of this magnitude will exceed four-weeks, resulting in a significant impact on Waste Management operations. Rental units with the necessary guarding for refuse operations are not available.

**IV. Timing/Implementation**

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

**V. Recommendation**

It is recommended that the Board approve entering into a contract with Peterson Machinery Co., for the purchase of one (1) new, crawler tractor as specified in FY06/07 FS-04.

**VI. Follow-up**

None.

**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 PETERSON MACHINERY CO., IN THE  
(AMOUNT OF \$256,176.00 WITH ONE (1) TRADE-  
(IN, FOR THE PURCHASE OF ONE (1), NEW,  
(CRAWLER TRACTOR, CONTRACT  
(FY06/07 FS-04.

**WHEREAS**, at the duly publicized place and time on November 7, 2006, an authorized representative of the Department of Public Works, opened bids on the following:

One (1), Crawler Tractor, Contract FY06/07 FS-04

**WHEREAS**, the County received 1 (one) response from its invitation to bid. The low bid of \$256,176.00, submitted by Peterson Machinery Co., contained no deviations from the published specifications, 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 \$256,176.00 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 3rd day of January, 2007.

\_\_\_\_\_  
Chair

Lane County Board or Commissioners

APPROVED AS TO FORM

Date 12-22-06 lane county

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OFFICE OF LEGAL COUNSEL

**CONTRACT FY06/07 FS-04**

Bid Opening: Tuesday, November 7, 2006, 10:15 a.m.

**BID RECAP****ONE (1), NEW, UNUSED, CURRENT-MODEL, CRAWLER TRACTOR WITH ONE-TWO (1-2) TRADE-INS**

| <u>VENDOR</u>   | <u>MAKE/MODEL</u>     | <u>AMOUNT</u> | <u>5-YEAR ENGINE &amp;<br/>POWERTRAIN WARRANTY</u> | <u>TRADE-INS</u>                     | <u>BID SECURITY</u> |
|-----------------|-----------------------|---------------|--|--------------------------------------|---------------------|
| Peterson Cat    | Cat D8T Wastehandling | \$481,176     | \$22,920   | 02-650 \$ 75,000<br>02-501 \$225,000 | Bid Bond            |
|                 |                       |               | Guaranteed repurchase at end of 1 year:            | \$425,000                            |                     |
|                 |                       |               | Guaranteed repurchase at end of 5 years:           | \$225,000                            |                     |
|                 |                       |               | Guaranteed repurchase at end of 7 years:           | \$175,000                            |                     |
| <hr/>           |                       |               |  |                                      |                     |
| Pape' Machinery | (No Bid)              |               | \$ _____   | 02-650 \$ _____<br>02-501 \$ _____   |                     |
|                 |                       |               | Guaranteed repurchase at end of 1 year:            | \$ _____                             |                     |
|                 |                       |               | Guaranteed repurchase at end of 5 years:           | \$ _____                             |                     |
|                 |                       |               | Guaranteed repurchase at end of 7 years:           | \$ _____                             |                     |

**Bid award recommendation based on:**

|  |              |
|--|--------------|
| Purchase of D8T Wastehandler             | \$481,176.00 |
| Trade-in #02-501                         | <225,000.00> |
| Net Bid                                  | \$256,176.00 |
| Guaranteed repurchase at end of 5 years: | \$225,000.00 |