

W.B.F.I.

AGENDA COVER MEMO

Memorandum Date: November 19, 2008

Order Date: December 10, 2008

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 \$395,689.00, with one (1) trade-in, for the Purchase of One (1), New, Crawler Tractor, Contract FY08/09 FS-02.

I. MOTION

MOVE TO AWARD A CONTRACT TO PETERSON MACHINERY CO., IN THE AMOUNT OF \$395,689.00, FOR THE PURCHASE OF ONE (1) NEW, CRAWLER TRACTOR, AS SPECIFIED IN CONTRACT FY08/09 FS-02.

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 Crawler Tractor 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 two (2) 85,000 pound class landfill crawlers to process refuse at the Glenwood Central Receiving Station and Short Mountain Landfill. These machines are used to load refuse into 125 cubic yard trailers and for general construction projects at the landfill. Crawler tractors in this application have a scheduled lifecycle of 5-years or 10,000 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 FY08/09 budget, sufficient funds are available for this acquisition, and the purchase price is within the budgeted amount. The low bidder has offered to repurchase the crawler tractor at the end of its five-year service life for \$245,000.00.

E. Analysis

Crawler tractors operating refuse environments are subjected to extremely harsh conditions, requiring an overhaul of most major components at approximately 10,000 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 existing crawler tractor in this application has been in service approximately 8,500 hours and has reached the end of its economic life.

The County received 2 (two) responses from its invitation to bid. Per the published specifications, this bid award recommendation was calculated by subtracting the trade-in amount and the 5-year guaranteed repurchase amount from the base bid plus options. The Peterson Machinery Co., bid, guaranteeing repurchase in five-years for \$245,000.00, provides the lowest lifecycle cost.

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 is expected to have more than 10,000 operational hours when the replacement crawler tractor is delivered in June, 2009. 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 FY08/09 FS-02.

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 \$395,689.00,
(FOR THE PURCHASE OF ONE (1), NEW,
(CRAWLER TRACTOR WITH ONE (1)
(TRADE-IN, CONTRACT FY08/09 FS-02.

WHEREAS, at the duly publicized place and time on November 17, 2008, an authorized representative of the Department of Public Works, opened bids on the following:

One (1), new Crawler Tractor, Contract FY08/09 FS-02

WHEREAS, this equipment was approved for purchase in the Fleet Services FY08/09 budget, sufficient funds are available for this purchase, and the price is within the budgeted amount, and

WHEREAS, the County received 2 (two) responses from its invitation to bid. The low bid of \$395,689 with one (1) trade-in, submitted by Peterson Machinery Co., with 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 \$395,689.00 in accordance with the bid specifications; and it is further

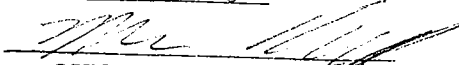
ORDERED, that a contract be executed in accordance with this Order and the bid specifications and the County Administrator be authorized to sign the contract.

DATED this 10th day of December, 2008.

Faye Stewart, Chair
Lane County Board or Commissioners

APPROVED AS TO FORM

Date 12-28-08 lane county


OFFICE OF LEGAL COUNSEL

CONTRACT FY08/09 FS-02

Bid Opening: Tuesday, November 18, 2008, 10:15 a.m.

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

<u>VENDOR</u>	<u>MAKE/MODEL</u>	<u>BASE BID AMOUNT</u>	<u>OPTIONS</u>	<u>BID SECURITY</u>
Modern Machinery	Komatsu D155AX-6SL	\$457,000		Bid Bond
			B. Suspended Undercarriage	\$ -0-
			C. Hydraulically/Electric Operated Belly Pan	\$ -0-
			Trade-in Unit: 04-500	\$ 160,000
			Guaranteed repurchase at end of 5 years:	\$ 75,000
			Base bid + options - trade-in:	\$ 297,000
			Base bid+options - trade-in - repurchase agreement: \$ 222,000	
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Peterson Machinery	CAT D8T WHA	\$558,167		Bid Bond
			B. Suspended Undercarriage	\$ 11,843
			C. Hydraulically/Electric Operated Belly Pan	\$ 5,679
			Trade-in Unit: 04-500	\$ 180,000
			Guaranteed repurchase at end of 5 years:	\$ 245,000
			Base bid + options - trade-in:	\$ 395,689
			Base bid+options - trade-in - repurchase agreement: \$ 150,689	

Bid award recommendation based on:

Purchase of CAT D8T WHA	\$558,167
Option B & C	\$ 17,522
Trade-in #04-500	<180,000 >
Net Bid	\$395,689
Guaranteed repurchase at end of 5 years:	\$ 245,000