

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

771



FROM: Waste Management Department

SUBMITTAL DATE:
December 5, 2013

SUBJECT: Sole Source Procurement with Al Jon Manufacturing for Purchase of Parts to ensure Operation Availability of Landfill Compactors. [\$36,100.00 – Waste Management Department Enterprise Funds]

RECOMMENDED MOTION: That the Board of Supervisors: Approve and authorize the Purchasing Agent to increase the previously executed Sole Source Procurement with Al-Jon for the purchase of Original Equipment Manufacturer (OEM), parts not to exceed \$36,100.00 for Fiscal Year 2013/2014.

BACKGROUND

Summary

Al Jon Manufacturing is the only supplier of factory-approved replacement components for the Department's two Al-Jon compactors. In December 2012, sole source approval (approval #13-263) was granted by Central Purchasing for the purchase of OEM parts direct from Al Jon Manufacturing for parts needed to maintain the Al Jon landfill compactors owned/operated by the Department. Sole Source approval was limited to \$25,000 in a fiscal year for a period up to four years, ending in June 2017. (continued)


Departmental Concurrence


Hans Kernkamp
General Manager-Chief Engineer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 36,100.00	\$ 0.00	\$ 36,100.00	\$ 0.00	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	

SOURCE OF FUNDS: Waste Management Department Enterprise Funds
Budget Adjustment: No
For Fiscal Year: 13/14

C.E.O. RECOMMENDATION:

APPROVE

 BY: Steven C. Horn, MPA

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Prev. Agn. Ref.:

District: All

Agenda Number:

12-2

Purchasing: 
Mark Seiler, Assistant Director

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Sole Source Procurement with Al Jon Manufacturing for Purchase of Parts to ensure
Operation Availability of Landfill Compactors. [\$36,100.00 – Waste Management Department
Enterprise Funds]**

DATE: December 5, 2013

PAGE: 2 of 2

BACKGROUND:

Summary (continued)

In September 2013, one of these compactors, equipment #05-952, became inoperable due to irreparable damage to the rear axle assembly that was incurred during landfill operations. This failure was unexpected and was not detectable during regular preventative maintenance inspections. In order to return this unit to full operational status, the rear axle assembly must be replaced. Al Jon provided a written quote for the needed part, which has been discounted at 15%, in the amount of \$26,190.00.

Since July 1, 2013, the Department has purchased \$1,847.63 in parts from Al Jon Manufacturing. This previously expended capital, combined with the quoted cost for the rear axle assembly (\$26,190.00), plus \$8,100.00 to allow for other anticipated parts needs to ensure the operational availability of both Al-Jon Landfill Compactors throughout the current fiscal year, necessitates an increase in the previously approved sole source (#13-263) from \$25,000 to \$36,100.00 for FY 2013/2014 only. Sole source approval of \$25,000.00 annually for subsequent years, through FY 2017, is anticipated to be sufficient and no increase in the amount of sole source approval is anticipated for subsequent years at this time.

Impact on Citizens and Businesses:

Compaction is essential to the lifespan and profitability of the County's landfill system and the availability of this equipment is fundamental to landfill operations. Without the use of this equipment, there is the potential for lost air space, and operating delays.

SUPPLEMENTAL:

Additional Fiscal Information

Budget for the purchase of repair parts will be provided from Fund 40200, Department ID – 4500100000.

Contract History and Price Reasonableness

The requested sole source approval will provide the Waste Management Department with Original Equipment Manufacturer (OEM) parts at a 15% discount of the direct cost. Al Jon Manufacturing is the sole source for factory-approved replacement components for Al Jon landfill compactors.



Riverside County
Waste Management Department

Hans W. Kernkamp, General Manager-Chief Engineer

Date: December 5, 2013

From: Kurt Van Dusen, Fleet Program Coordinator **Department:** Waste Management

To: Mark Seiler, Assistant Director of Central Purchasing

Via: Patti Guerrero, Buyer II

Subject: **Sole Source Procurement; Request for one (1) each Weldment Rear Axle for Al-Jon Compactor Unit #05-952, and to increase the Sole Source for Original Equipment Manufacturer (OEM) for Al Jon, Sole Source Approval #13-263 for FY 2013/2014 to \$36,100.00**

The below information is provided in support of my Department requesting approval for a sole source. Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole source.

- 1. Supply/Service being requested:** Purchase of one (1) each replacement part Weldment Rear Axle for Al-Jon Compactor, and increase the Sole Source for Original Equipment Manufacturer (OEM) for Al Jon, Sole Source Approval #13-263, for FY 2013/2014 to \$36,100.00

In December 2012, sole source approval (approval #13-263) was granted for the purchase of OEM parts direct from Al Jon Manufacturing for parts needed to maintain two Al Jon landfill compactors owned/operated by the Department. Sole Source approval was limited to \$25,000 in a fiscal year for a period up to four years, ending in June 2017.

In September 2013, one of these compactors, equipment #05-952, became inoperable due to irreparable damage to the rear axle assembly that was incurred during landfill operations. This failure was unexpected and unforeseen and was not detectable during regular preventative maintenance inspections. In order to return this unit to full operational status, the rear axle assembly must be replaced and the Department is seeking approval to increase the sole source that was previously granted in order to purchase the needed part. BOS approval to exceed the previously approved sole source will also be sought prior to initiating purchase of the rear axle assembly needed to repair unit 05-952.

Since July 1, 2013, the Department has purchased \$1,847.63 in parts from Al Jon Manufacturing. This previously expended capital, combined with the quoted cost for the rear axle assembly, plus \$8,100.00 anticipated for additional parts need through the end of FY 2013/2014, necessitate an increase in the previously approved sole source (#13-263) from \$25,000 to 36,100.00 for FY 2013/2014 only. Sole source approval of \$25,000 annually for subsequent years through FY 2017 is anticipated to be sufficient and no increase in the amount of sole source approval is anticipated for subsequent years at this time.


- 2. Supplier being requested:** Al-Jon Manufacturing VC# 61562
- 3. Alternative suppliers that can or might be able to provide supply/service:** American Independent Repair, Inc. is a local distributor for Al-Jon, Inc. for the California area. American Independent Repair carries no parts stock, and when utilized they in turn order from Al-Jon, and include a mark-up in cost, whereas a direct purchase from the manufacturer was more cost effective.

4. **Extent of market search conducted:** Informal request for quote was sent out May 2012 to both Al-Jon and American Independent with purchase awarded to Al-Jon Manufacturing based on lowest responsive/responsible bid.
5. **Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:** Al-Jon Manufacturing is proprietary with the majority of the structural and component parts. In addition, Al-Jon provides customer service support staff for troubleshooting and diagnostic assistance to the Department at no charge.
6. **Reasons why my department requires these unique features and what benefit will accrue to the county:** Al-Jon is a proprietary manufacturer of two (2) landfill compactors currently utilized by the Department. The majority of structural and component parts is only available through Al-Jon, Inc., and by ordering parts directly, reduces equipment down time and eliminates distributor cost mark up.
7. **Price Reasonableness including purchase price and any ongoing maintenance or ancillary costs from the supplier:** The Sole Source Agreement with Al-Jon will provide the Waste Management Department with Original Equipment Manufacturer (OEM) parts at a 15% discount of the direct cost. Al Jon is the sole source for factory-approved replacement components for these landfill compactors.
8. **Does moving forward on this product or service further obligate the county to future similar contractual arrangements or any ongoing costs affiliated with this sole source? (Maintenance, support, or upgrades, if so, please explain).** Yes, only for the purchase of parts and only for the time period specified below, and not to exceed the annual amount referenced.
9. **Period of Performance:** Approval is requested to increase the sole source approval (13-263) for FY 2013/2014 (ending June 30, 2014) from \$25,000.00 to 36,100.00, renewable for a maximum of \$25,000 for an additional three years, through June 30, 2017.

(Provide a defined period of performance. Please note multi-year terms require Board approval, unless renewable in one year increments and the Purchasing Agent approves the terms.)


 Department Head Signature _____ Date 12/5/13

Purchasing Department Comments:

<u>Approve</u>	Approve with Condition/s	Disapprove
Not to exceed: \$ <u>36,100</u>	<input checked="" type="checkbox"/> One time	Annual Amount through <u>\$25,000 Annual</u>
 Purchasing Agent _____	Date <u>12-6-13</u>	Approval Number <u>14-268</u> (Reference on Purchasing Documents)