

PURCHASING & FLEET SERVICES: Lisa Brandl, Director

Departmental Concurrence

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

136



FROM: Department of Waste Resources

SUBMITTAL DATE:
December 1, 2015

SUBJECT: Approve the Purchase of John Deere Heavy Equipment Parts and Repair Services with RDO Equipment Company for the Department of Waste Resources without obtaining competitive bids for five years. District All; [\$60,000]; Department of Waste Resources Enterprise Funds

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and authorize the Purchasing Agent to issue a purchase order for the repair of heavy equipment with RDO Equipment Company for \$60,000 annually, for five years; and,
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based on the availability of fiscal funding, to authorize changes to the scope of services/work that do not change the substantive terms of the purchase order, including the compensation provision that do not exceed the annual CPI rates.

BACKGROUND:

Summary

Preventative maintenance programs are utilized by DWR for John Deere and other types of heavy equipment. The reconditioning and replacement of various components assists in prolonging the life of these machines and provides an alternative to replacement of fleet equipment.

(Continued)


 Hans Kernkamp
 General Manager-Chief Engineer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 60,000	\$ 60,000	\$ 300,000	\$ 60,000	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: Department of Waste Resources Enterprise Funds	Budget Adjustment: No
	For Fiscal Year: 15/16-19/20

C.E.O. RECOMMENDATION:

APPROVE
 BY: 
 Steven C. Fiori

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:

12-1

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

FORM 11: Department of Waste Resources Enterprise Funds

DATE: December 1, 2015

PAGE: 2 of 2

BACKGROUND:

Summary (Continued)

Much of the maintenance work is performed by County mechanic staff; however, outsourcing these specific repairs to the Original Equipment Manufacturer (OEM) authorized service providers is a needed option.

As John Deere is the proprietary OEM, the company has established specific jurisdictional boundaries that each OEM authorized service/parts provider must adhere to. At DWR's Lamb Canyon Landfill in Beaumont, DWR has two John Deere brand heavy equipment that RDO Equipment Company in Riverside is the only John Deere authorized dealer which controls the entire Southern California region.

Impact on Citizens and Businesses

Utilizing local vendors as much as possible keeps tax revenue within Riverside County. Compared to performing the repairs ourselves with limited mechanic staff, component repairs are completed sooner, resulting in less downtime of machinery, reduced rental costs of back-up equipment and fewer delays at public landfills.

SUPPLEMENTAL:

Additional Fiscal Information

RDO Equipment expenditures: FY11 \$12,579.88; FY12 \$35,003.74; FY13 \$19,309.28; FY14 \$6,826.87; FY15 \$22,889.56, and this year so far we have spent \$22,011.39 on one repair for a final drive rebuild and the same machine needs an engine rebuild at a quoted price of \$29,486.95.

Contract History and Price Reasonableness

RDO Equipment Sole Source approval for \$25,000 annually for five (5) years through June 30, 2017 was approved by the Purchasing Agent on September 19, 2012, SSJ approval No. 13-160, which will be renewed and raised to \$60,000 annually through June 30, 2020 with approval of this motion.

An agreement with Johnson Machinery for component repairs to Caterpillar equipment at our Badlands and Lamb Canyon landfills is already in place, which was approved by the Board on November 26, 2013, Agenda No. 3-37. Approval of this motion will not affect that agreement.

The rates being charged by RDO Equipment Company are competitive with other vendors used for heavy equipment parts and repairs. RDO is a local vendor, thus travel charges are minimal. Warranty work is handled completely by the vendor and parts are priced at the distributor's cost and vendor allows for direct purchase of parts, in case we have the manpower and want to perform in-house repairs and recognize any labor cost savings.

Date: November 24, 2015

From: John Farrar, Buyer I **Department:** Waste Resources

To: Purchasing Agent

Subject: **Sole Source Procurement; Parts, Labor and Repairs for John Deere Equipment**

The below information is provided in support of the Department of Waste Resource's request for approval of 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. **Supplier being requested:** RDO Equipment Company
2. **Vendor ID:** 0000110196.
3. **Supply/Service being requested:** Parts, labor and repair of department owned John Deere equipment. Current John Deere equipment includes unit #06-957 – a John Deere 850J track type dozer; and unit #00-940 – a John Deere TC54H Loader.
4. **Alternative suppliers that can or might be able to provide supply/service and extent of market search conducted:** Department staff called John Deere and searched online for distributors and service providers located within a 50 mile radius of the Waste Resources Headquarters and Landfill sites. RDO Equipment Company is currently the only authorized John Deere dealer or parts and service provider in Southern California. In addition, no other vendors have responded to past requests for competitive quotes for John Deere construction equipment parts or service in the past.
5. **Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:** RDO Equipment Company provides Original Equipment Manufacturer (OEM) parts as well as diagnostic and repair services for John Deere equipment. In addition, RDO Equipment Company has records of the Department's equipment repair, service, and warranty history.
6. **Reasons why my department requires these unique features and what benefit will accrue to the county:** Because of RDO Equipment Company's proximity to Department facilities, they are available to coordinate for timely site visits to troubleshoot, diagnose, and repair equipment in a timely manner so as not to interfere with daily landfill operations.

7. **Period of Performance:** Sole Source approval is being requested for five (5) years through June 30, 2020. This would be for one-time individual purchases as-needed throughout each year.

Is this an annually renewable contract? No Yes
 Is this a fixed-term agreement? No Yes

8. **Identify all costs for this requested purchase. If approval is for multiple years, ongoing costs must be identified below. If annual increases apply to ongoing costs such as CPI or other contract increases, provide the estimated annual cost for each consecutive year.**

Description	FY16	FY17	FY18	FY19	FY20	Total
One-Time Costs:	\$0	\$0	\$0	\$0	\$0	\$0
Ongoing Costs:	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$300,000
Total Costs:	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$300,000


9. **Price Reasonableness (Explain why this price is reasonable or cost effective, and if this service/commodity will be bid out in the future):** RDO Equipment Company is a local vendor, thus travel charges are minimal. Mechanics have direct access to John Deere technicians for information on diagnostic and repair options. Warranty work is handled completely by the vendor and parts are priced at the distributor's cost with no mark-up based on past bid history. Vendor allows for direct purchase of parts, thus allowing for in-house repairs at considerable labor cost savings, if we so choose.

10. **Projected Board of Supervisor Date (if applicable):** December 15, 2015.


 Department Head Signature / Hans W. Kernkamp Date 11/25/15

Purchasing Department Comments:

Approve Approve with Condition/s Disapprove
 Not to exceed: \$ ~~60,000~~ 60,000 One time Annual Amount through 6/30/2020

 12/2/15 16-403
 Purchasing Agent Date Approval Number
 (Reference on Purchasing Documents)

Attachments: Draft F-11 for RDO Equipment Sole Source Approval