

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

6469 A



FROM: TLMA - Transportation Department

SUBMITTAL DATE:
April 22, 2010

SUBJECT: Approval of the Transportation Department's Sole Source purchase of one Caterpillar 613-G Scraper from Johnson Machinery Co.

RECOMMENDED MOTION: That the Board of Supervisors approve the purchase of one Caterpillar 613-G Scraper to be purchased as a sole source from Johnson Machinery Co. without securing competitive bids, in accordance with Ordinance 459.4.

BACKGROUND: The Transportation Department is requesting to purchase one Caterpillar 613-G Scraper to replace two 613-C scrapers which are 24 years old. After doing research, we have found that no other equipment companies make a scraper of this size any longer, so we would not be able to obtain competitive bids for a similar piece of equipment. We have also been informed by Caterpillar that they will be discontinuing this model (although they will continue to provide parts for it), which

Juan C. Perez
Director of Transportation

RC
(Continued on attached page)

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 310,481	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2009/2010

SOURCE OF FUNDS: Transportation Garage Fund Balance - (100%) Dept ID. 3130700000.	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY:
Tina Grande

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Benoit, seconded by Supervisor Tavaglione and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: May 4, 2010
xc: Transp., Purchasing

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

Prev. Agn. Ref. | District: All | Agenda Number:

ATTACHMENTS FILED WITH
THE CLERK OF THE BOARD

3.75

Purchasing:
 Billy Cornett, Purchasing Manager
 Departmental Concurrence

Policy Policy
 Consent Consent
 Dep't Recomm.: Per Exec. Ofc.:

The Honorable Board of Supervisors

RE: Approval of the Transportation Department's Sole Source purchase of one Caterpillar 613-G Scraper from Johnson Machinery Co.

April 22, 2010

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makes it necessary to receive approval as soon as possible so that Johnson Machinery Co. can place the order before they stop production.

This unit is necessary for the maintenance of County roads. It is replacing two units that have been used for storm damage clean-up and repair, and grading of dirt roads. This unit is smaller and lighter than the next size that is commercially more widely available, and therefore causes less stress on our roads.

Cost Reasonableness

The cost is about half that of the next size up in a commercially available unit (with a purchase price of over \$600,000), so we are receiving a favorable price by moving forward with this purchase. The County is also receiving a government rate discount of 22%.

Replacing the two outdated units with this one unit will reduce our maintenance costs and help achieve our fleet air quality conversion target to reduce emissions set by the California Air Resources Board.

Date: 03-08-2010
From: Stephen McFarland Department/Agency: Transportation Garage
To: Board of Supervisors
Via: Purchasing Agent
Subject: Sole Source Procurement; Request for Caterpillar 613-G Scraper

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.

Supply/Service being requested: Purchase of a 613-G Scraper

Supplier being requested: Johnson Machinery Co.

Alternative suppliers that can or might be able to provide supply/service: None

Extent of market search conducted: John Deere, Case, Komatsu, Volvo, Terex, and Hyundai. Checked the internet for other suppliers none found.

Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide: Caterpillar is the only supplier of this size scraper.

Reasons why my department requires these unique features and what benefit will accrue to the county: This unit is used for Road maintenance and annual winter storm damage.

Price Reasonableness: The county gets an additional 14% off then private contractors receive. See attached.

Does moving forward on this product or service further obligate the county to future similar contractual arrangements? No



Department Head Signature

4/13/10

Date

Purchasing Department Comments:

Approve


Purchasing Agent

Approve with Condition/s

Disapprove

4-20-10

Date



3/04/2010

Bill Ilten
Riverside County Department of Purchasing
2980 Washington St.
Riverside, CA 92504-4647

Subject: Caterpillar 613G Quote from Johnson Machinery Co.

Dear Bill:

This letter is in regard to the quote that was submitted to Riverside Country TLMA for a Caterpillar 613G Elevating Scraper. I have attached the quote for this 613G. You asked me about the additional discount that the County of Riverside is receiving on this order. The County gets an additional governmental discount on the pricing of the machine that is not available to anyone but Governmental Agencies. Each model machine has a different discount structure from the factory. On this particular machine, the additional discount you are receiving over the discount we have available to our good contractors is approximately 14%.

We appreciate the opportunity to work with you and the County of Riverside on your equipment requirements. Please let me know if there are any further questions.

Sincerely,

Gary A. Skoglund
Sales Representative
Johnson Machinery Co.
951-314-2747
gskoglund@johnson-machinery.com



March 3, 2010

COUNTY OF RIVERSIDE TLMA
Po Box 1605
Riverside
California
92502-1605

Steve McFarland

Dear Steve,

I would like to thank you for your interest in our company and our products, and are pleased to quote the following 613G Scraper for your consideration. The 613G size scraper is being discontinued. This quote is dependent on Johnson Machinery Co. being able secure a production position for a 613G from Caterpillar. The specifications on a 613G from the factory may differ a little from the specifications on the quote. The price could go up slightly or down slightly, depending on the equipment and tires available.

CATERPILLAR Model: 613G Scraper

We wish to thank you for the opportunity of quoting on your equipment needs. This quotation is valid for 30 days, after which time we reserve the right to re-quote. If there are any questions, please do not hesitate to contact me.

Sincerely,

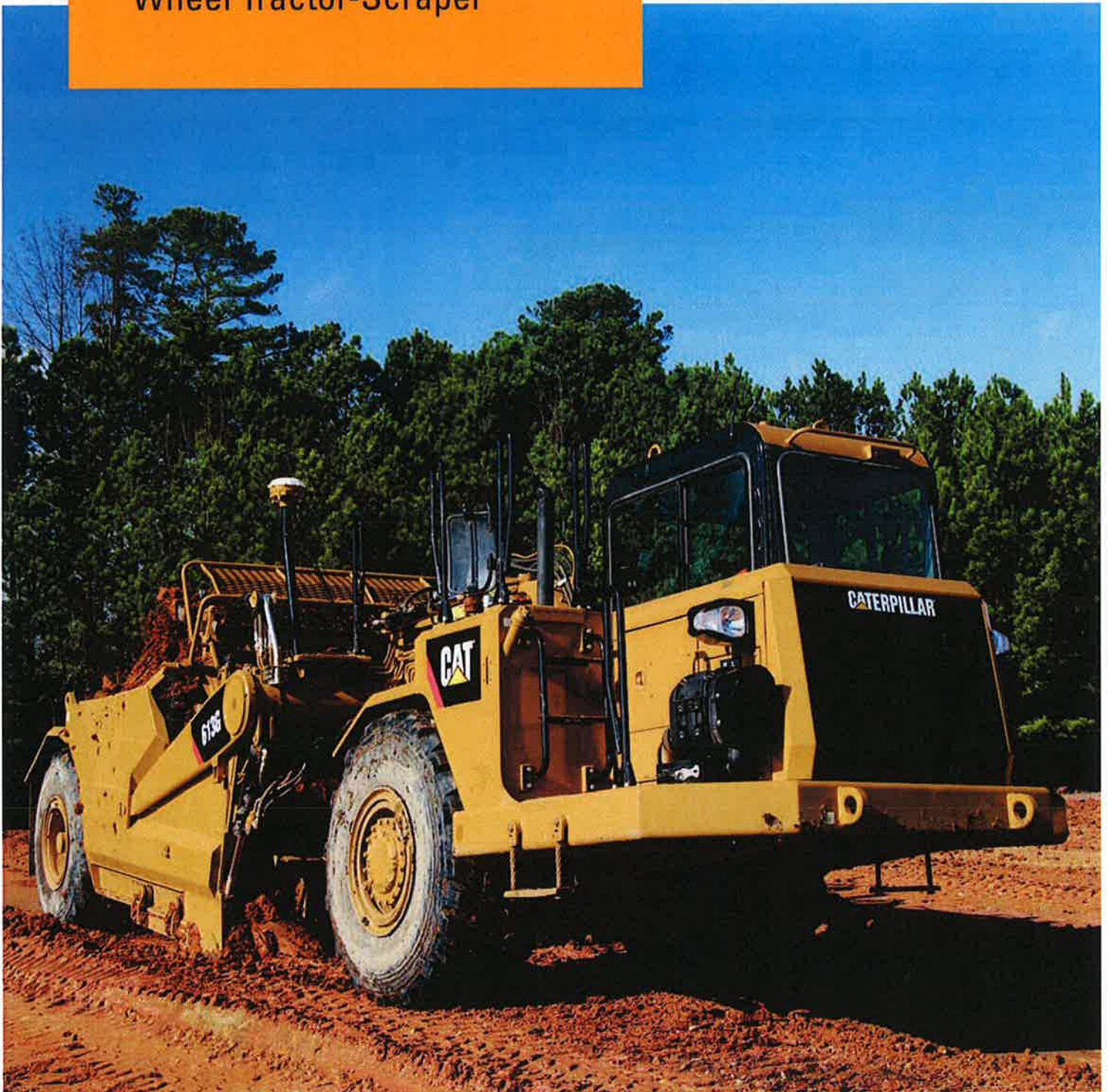
A handwritten signature in blue ink that reads "Gary A. Skoglund".

Gary Skoglund
Machine Sales Representative

613G

Wheel Tractor-Scraper

CATERPILLAR[®]



Engine

Tractor Engine	Cat [®] C6.6 ATAAC	
Net Power	135 kW	181 hp

Scraper Bowl

Rated Load	11 975 kg	26,400 lb
Capacity Heaped	8.4 m ³	11 yd ³

Weights

Total Operating – empty	16 626 kg	36,654 lb
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CATERPILLAR Model: 613G Scraper

STANDARD EQUIPMENT

BOWL - SCRAPER: - 11 cu yd (8 cubic meters) heaped - Elevator - Backup alarm - AccuGrade ready option weldments for - bracket and mast

ELECTRICAL - TRACTOR: - Alternator, 80 ampere - Electrical system, 24 volt - Batteries (2), 70 ampere hr. - 880 CCA, maintenance-free - Lighting system: - Headlights, highway signal (T) - Lights (LED), highway signal (S) - Grade Control Ready (Weldments for - display, bracket, radio, and - harnesses. - Starting/charging receptacle

OPERATOR ENVIRONMENT - TRACTOR: - Cab, ROPS, sound suppressed - Gauges/Indicators: - Turn signals - Battery charge - Fuel pressure - Engine monitoring - Throttle lock - Primary steering - Action light - Tachometer - Parking brake - Steering disable - Diff lock - Operator not present - High beam - Brake system - Transmission system - Hydraulic system - Torque converter temp - Fuel level - Hyd. oil temp - Mirrors, right side and rearview - Radio ready - Seat, cloth, air suspension - rotates 30 degrees - Seat belt (non-retractable) - Steering wheel, tilt and telescopic - Windshield washer wiper - Air conditioning and heater

POWERTRAIN - TRACTOR: - Engine: - I-6, 4-stroke diesel, turbocharged, - aftercooled - Electric start, 24 volt - Air cleaner w/precleaner - Fan, suction - Guard, crankcase - Muffler - Braking system (Hydraulic) - Caliper disc (front and rear) - Parking - Secondary - Shields, brake - Transmission: - 6 speed powershift w/torque - converter drive - Differential, lock-up - **SCRAPER:** - Braking system: - Fuel pump, electric - Parking - Secondary - Shields, brake

OTHER STANDARD EQUIPMENT - TRACTOR: - Product Link - Fenders - Hydraulic system - Locks, vandalism protection - Rims (2), center mounted - Steering, variable flow modulated - Tow pins, front and rear - **SCRAPER:** - Rims (2), center mounted

ANTIFREEZE - Extended Life Coolant to -36C (-33F)

MACHINE SPECIFICATIONS

Description	Reference No
613G WHEEL TRACTOR	308-6873
GUARD, POWERTRAIN	209-1353
LIGHTS, 5X5 FLOOD,WORK LAMPS	289-2630
FENDERS, STANDARD	289-9652
STEERING, PRIMARY (STANDARD)	293-3332
CATERPILLAR PRODUCT LINK PL321	297-9058
INSTALLATION, ACCUGRADE READY	OP1906
613G SCRAPER	308-9501
HORN, ELECTRIC	313-7360
TIRES, 23.5-25 GYHRL20PR E3	323-2273
INSTRUCTION,NORTH AMERICA ANSI	330-9891
DOMESTIC RAIL, TR/SCR COMBINED	OP-0254

Sell Price	\$285,500.00
Net Balance Due	\$285,500.00
CA STATE SALES TAX (8.75%)	24,981.25
After Tax Balance	\$310,481.25

Manuals
Pricing includes 2 sets all manuals.

WARRANTY

Warranty: 6 Months Standard Warranty with an additional 6 months warranty

F.O.B./TERMS

Riverside - Construction

Accepted by _____ on _____

Signature

TERMS AND CONDITIONS

1. Agreement of sale: any terms and provisions of buyer's orders which are inconsistent with the terms and provisions hereof are rejected, will not be binding on the seller nor considered applicable to the sale or shipment referred to herein, unless buyer shall notify seller in writing within fifteen (15) days after receipt of this proposal by buyer. Acceptance of the terms and conditions hereof by buyer shall be indicated, and in the absence of such notification, the sale and shipment by the seller of the products covered hereby shall be conclusively deemed to be subject to the terms and conditions hereof. No waiver, alteration, or modification of the provisions hereof shall be binding on the seller unless agreed to in writing by a duly authorized official of seller at its headquarters office(s). Waiver by either party of any default by the other shall not be deemed a waiver by such party of any default of the other which may thereafter occur.

2. Prices: prices and payment terms shown on the face of this proposal apply. Inadvertent error in either prices or terms is subject to correction.

3. Taxes: the seller's prices do not include any sales, use, and excise property or similar taxes which seller may be required to pay in connection with filling any of buyer's orders. The amount of any applicable present or future such tax shall be paid by the buyer as an additional charge or in lieu thereof, the buyer shall provide the seller with a tax exemption certificate acceptable to the taxing authorities.

4. Warranty: Caterpillar warrants new earthmoving, construction and materials handling machinery (other than lift trucks) and attachments therefore sold by it to be free from defects in material and workmanship subject to the following provisions. During the first six months after date of delivery of the product to the initial user, a new or repaired part, whichever Caterpillar elects, along with the labor for installation of such new or repaired part, will be provided in place of any parts which are found upon its inspection to be defective in material or workmanship. Such parts and labor will be provided without charge to the user during normal working hours at a place of business of a Caterpillar dealer or other establishment authorized by Caterpillar, but this warranty does not include any costs for transporting the product to such place of business or establishment. Replacement parts provided under the terms of this warranty are warranted for the remainder of the warranty period applicable to the product in which installed as if such parts were original components of that product. No warranty is made with respect to items supplied by Caterpillar on special order nor with respect to tires made by others when such tires are warranted by their respective makers. This warranty does not apply to Caterpillar brand bias ply and beadless tires, ground engaging tools or Caterpillar brand batteries - to all of which different warranties apply. This warranty is expressly in lieu of any other warranties, express or implied, including any warranty of merchantability or fitness for a particular purpose. Remedies under this warranty are expressly limited to the provision and installation of parts, as specified above, and any claims for other loss or damages of any type (including without limitation loss from failure of the product to operate for any period of time, other economic or moral loss, or direct, immediate, special, indirect or consequential damage) are expressly excluded as used in this warranty. The term "Caterpillar" means Caterpillar Inc. or one of its subsidiaries, whichever last sold the product involved.

5. Liability and claims: seller's liability on any claim of any kind, including claims for negligence, or for any loss or damage, arising out of, or connected with, or resulting from any order accepted by seller, or from the manufacture, sale, delivery, resale, repair or use of any products covered by, or furnished under, such an order, shall in no case exceed the price allocable to the product or part thereof which gives rise to the claim. In no event shall seller be liable for special or consequential damages; any claims against seller for shortages by it in making shipments shall be made in writing to seller within fifteen (15) days after receipt of shipment. Seller's responsibility for shipments ceases upon delivery to a carrier. And any claims for shortages, delays or damages occurring thereafter shall be made direct to the carrier, the fulfillment of any order accepted by seller is subject to strikes, labor disputes, lockouts, accidents, fires, delays in manufacture or in transportation or delivery of materials, floods, severe weather or other acts of god, embargoes, or governmental actions. Or any other causes beyond the reasonable control of seller, whether similar to, or different from the causes above enumerated, and any such cause shall absolve seller from any liability to buyer.

6. Changes: seller may, at any time, without notice, make changes (whether in design, materials, the addition of improvements, or otherwise) in any product, and may discontinue the manufacture of any product, all in its sole discretion, without incurring any obligations of any kind as a result thereof, whether for failure to fill an order accepted by seller or otherwise.

7. Compliance with laws: seller will comply with all applicable federal laws, and represents that any goods to be delivered under an order placed pursuant hereto will be produced in compliance with the requirements of the fair labor standards act of 1938, as amended.

8. Shipments: shipment dates are approximate. Shipments of products under an order accepted by seller shall be subject to the approval by seller of buyer's financial condition at the time of shipment. Whether or not credit terms are specified elsewhere, seller may, at its option, condition shipments under any order accepted by seller upon receipt of satisfactory security or of cash before shipment. If, at buyer's request, shipment of products on an order accepted by seller is delayed more than thirty (30) days after the shipment date specified on the face hereof, or the date products are ready for shipment, whichever is later, seller may require immediate payment in full and/or assess additional charges for storage and other

Johnson Machinery

expenses incident to such delay.

9. Cancellation: in the absence of other written agreement between buyer and seller governing cancellation, any order accepted by seller may be cancelled by buyer only upon written notice to seller and payment of seller's cancellation charges. At buyer's request a statement of such charges will be furnished by seller prior to cancellation and charges will be not less than 20% of proposed selling price or accrued cost, whichever is greater.

10. Indemnification: buyer shall protect, hold harmless and indemnify seller from and against any and all demands, costs, liens, suits, judgments and penalties, and liabilities of every kind arising directly or indirectly, out of or wholly or partially caused by buyer in connection with or caused by buyers use or operation of this product, except for such seller liability as otherwise stated herein.

11. Property will be used in, _____, county, State of California. Lessee will not remove the property from this county without written permission from lessor.

12. Insurance: Lessee shall, at its expense, at all times from the time of delivery of equipment to lessee, maintain insurance against all risks of loss or damage from any cause for not less than the full replacement value thereof and shall carry public liability and property damage insurance covering the equipment. Such insurance shall be in the amounts and with insurance companies satisfactory to lessor, protecting lessor as an additional insured, and providing for ten (10) days written notice to lessor before any policy may be modified or cancelled. Lessee shall deliver to lessor evidence of insurance.

13. Lessee agrees not to part possession or sublet this equipment without the written consent of the lessor and to pay all attorney's fees, collection charges, or other expense occasioned by lessee's failure to comply with the provisions hereof. In the event of default of payment, lessor may retake possession of this equipment.

14. Lessee shall use the equipment in a careful manner in conformity with all governmental laws, ordinances, regulations, and requirements and shall take reasonable and proper care thereof, and at his own expense and cost, make all necessary repairs and replacements except warranty items referenced herein, if any. In the event of default by the lessee in the payment of rent or otherwise, the lease shall terminate immediately at the option of the lessor. Unless the equipment is returned or the lessor notified in writing to the contrary by the lessee before expiration of the rental period set forth above, the rental period shall be extended from month to month beyond the original period specified, at the option of the lessor. In the event of such extension of the rental period, lessee agrees to pay lessor rental payments at the rate specified above for any additional time the equipment is rented.

15. Title to the equipment shall at all times remain in the lessor, and lessee agrees to keep each item of equipment at all times free and clear from all claims, levies, liens, and legal processes. Equipment is and shall remain personal property.

16. Lessor shall at any time during reasonable business hours have the right to enter on lessee's premises where the equipment may be located or elsewhere to inspect the equipment or observe its use. At lessor's request, lessee shall give immediate notice of the exact location of the equipment. Lessee shall give lessor immediate notice of any attachment or other judicial process affecting any item of equipment.

17. It is expressly agreed and understood that the lessor shall not in any case or under any circumstances be held liable to any person including lessee for any loss or damage, or claim or judgment, or loss or damage of any kind or character whatsoever to persons or property, or otherwise arising from or in any manner connected with the use, operation, handling, or transportation of said property; and any and all claims for loss or damage are hereby specifically waived by lessee. Lessee agrees to indemnify and hold harmless the lessor from any and all such claims for loss, damage or liability.

18. Time is of the essence and lessee shall be in default under this agreement upon the occurrence of any of the following: (a) the misstatement or false statement in connection with, noncompliance with, or nonperformance of any of lessee's obligations under this agreement. (b) the failure to pay any rent or other amounts provided herein when the same is due and payable. (c) the failure of lessee to perform any other provisions of this lease which it is required to perform.

19. The company warrants that it is the sole owner of the equipment and that there are no liens or encumbrances or adverse claims whatsoever thereon, other than the lien of taxes not yet delinquent it is understood by the parties hereto that the company is not the manufacturer of the equipment, nor the agent of said manufacturer.

Initials: _____



April 13, 2010

Steve McFarland
County of Riverside, Fleet Supervisor
2950 Washington Street
Riverside, CA 92504

Dear Mr. McFarland:

In response to your request for a budgetary quote on a self loading scraper we are unable to respond as Komatsu does not manufacture any type of scrapers. I apologize for our inability to quote this product but from my understanding the only manufacture who still is making this type of a unit is Caterpillar and the industry news indicates they are discontinuing their small scarpers as well. If you are in need of a scraper my only suggestion is that you contact your nearest Caterpillar dealer and see if you can purchase one of their final production units. The market doesn't justify the expense of manufacturing these units any more.

If I can be of any assistance please contact me.

Thank you,

Kenneth L. Birch

Kenneth L. Birch
Manager, Utility, Governmental and National Accounts
Clairemont Equipment Company
1330 Mission Road
Escondido, CA 92029
O: 760-739-9100 EXT. 3121