

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

844



FROM: Waste Management Department

SUBMITTAL DATE:
September 11, 2013

SUBJECT: Approve the Purchase of One (1) Additional Caterpillar D8T 4i Waste Handling Tractor for the Waste Management Department from a Previously Approved Award via the Competitive Bid Process. Total Cost [\$754,977.89].

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receives and files notice of the purchase of one (1) additional Caterpillar D8T 4i Waste Handling Tractor in the amount of \$754,977.89 in accordance with Ordinance No. 459.4. Said purchase shall be pursuant to the County Purchasing Agent approving the purchase on behalf of the County.

BACKGROUND:

Summary

On May 9, 2013, the County Purchasing Department issued a Request For Quotation on behalf of the Waste Management Department for one (1) Caterpillar D8T 4i Waste Handling Tractor, or equal. The RFQ# WMARC - 222 was posted on PublicPurchase.com, the County Purchasing Website and e-mailed to several local Riverside County Equipment Dealers. (continued)

Hans Kernkamp
General Manager-Chief Engineer

Departmental Concurrence

Purchasing:
Mark Seiler, Assistant Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 754,977.89	\$ 0.00	\$ 754,977.89	\$ 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	Budget Adjustment: No
Funds	For Fiscal Year: 13/14

C.E.O. RECOMMENDATION:

APPROVE

BY:
Alex Gann

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: September 24, 2013
xc: Waste, Purchasing

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

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

Prev. Agn. Ref.: 7/30/13 (12-2C) | District: All | Agenda Number:

12-2 C

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

FORM 11: Approve the Purchase of One (1) Additional Caterpillar D8T 4i Waste Handling Tractor for the Waste Management Department from a Previously Approved Award via the Competitive Bid Process.

Total Cost [\$754,977.89].

DATE: September 11, 2013

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BACKGROUND: Summary (continued)

On July 30, 2013, the Board of Supervisors approved the purchase for one (1) Caterpillar D8T 4i Waste Handling Tractor from Johnson Machinery. Caterpillar and Johnson Machinery have agreed to extend the government discount of 28% for one (1) additional unit if the order is placed in the month of September 2013, with a planned delivery date of December 2013.

Impact on Citizens and Businesses

To comply with In-Use Off-Road Diesel regulations, the Department must replace many of the units within its landfill fleet before 2021. The Department plans to phase the required replacement of equipment fleet over several years so that this expense may be allocated over multiple budget years. Due to California Air Resources Board (CARB) Off-Road Diesel Emissions Regulations, it is prudent to purchase the highest tier (lowest emission) engine available when purchasing new equipment to meet or exceed CARB regulations in order to retain compliance credits and avoid penalties. High drive planetary type final drives are essential to efficient operation in the harsh landfill environments in which this equipment will be used. The Caterpillar D8T 4i Waste Handling Tractor is the only equipment which meets both the U.S. EPA Tier-IV emission regulations and high drive design requirements.

SUPPLEMENTAL:

Additional Fiscal Information

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

Contract History and Price Reasonableness

Caterpillar and Johnson Machinery will extend government discount pricing of 28% for orders placed before September 30, 2013, with a December 30, 2013, delivery date and have further announced that there will be a 2% price increase for orders placed after September 30, 2013, with a delivery in January 2014, and an additional 5% increase for orders delivered in the second quarter of 2014.

The proposals received via the original RFQ were reviewed by personnel from Purchasing and the Waste Management Department. The bids were reviewed based on overall cost and ability to provide a tractor in accordance to the specifications. Bid evaluation resulted in two of the three bids being disqualified for failure to meet specifications and consequently, Johnson Machinery Company was selected as the only responsive/responsible vendor, submitting a bid. The Department has also researched the possibility of purchasing used Caterpillar D8T waste handling dozers through three different sources, Ritchie Brothers, Iron Planet, and direct through Caterpillar. During this search, it was found that no used dozers were equipped with a Waste Handling package (guards, blade, and track shoes), which are necessary components for landfill operations. The cost of these components coupled with installation costs is approximately \$199,318.46. Additionally, during this search it was found that the average operating hours on the machines ranged from 6,500 to 7,500 hours, indicating the necessity for a costly total power train rebuild (Transmission, Differential, Torque, and Engine) and a complete undercarriage replacement within 500-1,500 hours at an approximate cost of \$130,000. It was also identified that most of the used equipment available direct from Caterpillar and other on-line used equipment sites is located outside of California.

Transportation costs to relocate equipment from out of state would further increase the acquisition cost, (example: Texas to Moreno Valley \$19,750). Another consideration of importing equipment from out of state is the requirement to comply with In Use Off Road Diesel Regulations of the California Air Resources Board, which would likely require additional costs of approximately \$65,000 to retrofit engines to comply with emissions requirements. It should also be noted that used equipment is "Sold As Is" (no warranty), thus requiring that cost for all repairs immediately upon delivery be borne by the Department.