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AGENDA COVER MEMO

DATE: March 17, 2004
TO: Lane County Board of Commissioners
DEPT: Public Works
PRESENTED BY: Dale Wendt, Public Works Support Services Manager
AGENDA ITEM TITLE: In the Matter of Awarding a Contract to Peterson Machinery Co., in the amount of \$307,353.00, with trade-in, for the Purchase of One (1), New Crawler Tractor, Contract FY04/05 FS-01.

I. MOTION

MOVE TO AWARD A CONTRACT TO PETERSON MACHINERY CO., IN THE AMOUNT OF \$307,353.00, WITH TRADE-IN, FOR THE PURCHASE OF ONE (1) NEW, CRAWLER TRACTOR AS SPECIFIED IN CONTRACT FY04/05 FS-01.

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 unit as per established replacement criteria?

III. DISCUSSION

A. Background

Lane County Department of Public Works Waste Management Division currently operates three (3) D-8 size crawler tractors to handle refuse at the Short Mountain Landfill and the Glenwood Solid Waste Transfer Site. Crawler tractors in this application operate approximately 5-years/10,000 hours before experiencing extensive downtime and requiring major component overhaul.

B. Analysis

This equipment has been budgeted for purchase in the proposed Fleet Services FY04/05 budget and sufficient funds for this acquisition are available in the Equipment Replacement Fund. The existing crawler to be replaced by the new unit is scheduled as a "buy-back" unit for \$148,000 on July 2, 2004. In order to not lose the opportunity for the buy-back, and not be without a replacement unit – it is necessary to contract for a new crawler now.

The County received two (2) responses from its invitation to bid. The low bid of \$307,353.00, with trade-in, was submitted by Peterson Machinery Co., with no deviations from the published specifications. Peterson Machinery Co. has offered to repurchase the crawler tractor in five years for \$150,000.00.

C. Alternatives/Options

1. Purchase the above-described equipment unit at this time.

2. Do not purchase at this time. The existing crawler tractor will have been in service approximately 10,000 hours at the end of this fiscal year. If not replaced, this unit will require a major overhaul of the engine, drive train, and undercarriage components. Estimated downtime for a repair of this magnitude will exceed four-weeks. Rental units with the necessary guarding for landfill operation are not available.

D. 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 FY04/05 FS-01.

E. Timing

Upon approval of the Board, a contract will be executed between Peterson Machinery Co. and the County Administrator.

IV. IMPLEMENTATION/FOLLOW-UP

None.

V. ATTACHMENTS

Board Order

Bid Recap

IN THE BOARD OF COMMISSIONERS OF LANE COUNTY
STATE OF OREGON

ORDER NO.

(IN THE MATTER OF AWARDING A
(CONTRACT TO PETERSON MACHINERY
(CO., IN THE AMOUNT OF \$307,353.00, WITH
(TRADE-IN, FOR THE PURCHASE OF ONE (1)
(NEW, CRAWLER TRACTOR CONTRACT
(FY04/05 FS-01.

WHEREAS, at the duly publicized place and time on February 26, 2004, an authorized representative of the Department of Public Works, opened bids on the following:

One (1), New, Crawler Tractor, with trade-in, Contract FY04/05 FS-01;
and

WHEREAS, the lowest responsive bid with no deviations was received from Peterson Machinery Co. in the amount of \$307,353.00, 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 \$307,353.00 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 ____ day of March, 2004.

Chair, Lane County Board of Commissioners

APPROVED AS TO FORM

Date 3-5-04 lane county


CHIEF OF LEGAL COUNSEL

CONTRACT FY04/05 FS-01

Bid Opening: Thursday, February 26, 2004

BID RECAP

ONE (1), NEW, UNUSED CURRENT-MODEL CRAWLER TRACTOR WITH ONE (1) TRADE-IN.

<u>VENDOR</u>	<u>BID PRICE</u>	<u>TRADE-IN</u>	<u>TRADE-IN TOTAL</u>	<u>TOTAL PRICE</u>	<u>GUARANTEED REPURCHASE</u>	<u>BID BOND/ CASHIER'S CHECK</u>
Pape' Machinery	\$451,138	99,500	\$124,500	\$326,638	\$135,000	Bid Bond
Peterson Cat	\$455,353	99-500	\$148,000	\$307,353	\$150,000	Bid Bond