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AGENDA COVER MEMO

DATE: May 12, 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 \$78,426.00, without Trade-in, for the Purchase of One (1), New, Backhoe/Loader, Contract FY03/04 FS-06.

I. MOTION

MOVE TO AWARD A CONTRACT TO PETERSON MACHINERY CO., IN THE AMOUNT OF \$78,426.00, WITHOUT TRADE-IN, FOR THE PURCHASE OF ONE (1), NEW, BACKHOE/LOADER AS SPECIFIED IN CONTRACT FY03/04 FS-06.

II. ISSUE OR PROBLEM

Shall Lane County approve awarding a contract to Peterson Machinery Co., for the purchase of one (1), new, backhoe/loader required by Public Works Engineering Division as per established replacement criteria?

III. DISCUSSION

A. Background

Lane County Department of Public Works Engineering Division has historically owned and operated six (6) hydraulic excavators for road maintenance operations. These machines cost approximately \$325,000.00 each, have a 12-year lifecycle, and operate for \$38/hour. One (1) of the hydraulic excavators was scheduled for replacement two-years ago, but due to lower than expected operating cost, its lifecycle was extended to 14-years. The machine is now no longer dependable enough to keep as a primary equipment unit and needs to be replaced.

The merger of the Junction City and Veneta Maintenance Shops last year provided several economies of scale, including the ability to downsize one of the two hydraulic excavators assigned to this shop to a less expensive equipment unit. The Road Maintenance Manager and Fleet Services Supervisor agree that an \$80,000 backhoe/loader that operates for \$28/hour would be both less expensive and more suitable as a replacement for the hydraulic excavator. The anticipated trade-in value of the replaced excavator is considerably less than that expected from advertising to rural counties. Therefore the excavator will be advertised and sold at a later date.

B. Analysis

The County received two (2) responses from its Invitation to Bid. Peterson Machinery Co. submitted the low bid of \$78,426.00, with no deviations from the published specifications. \$325,000 for a hydraulic excavator was included in the Fleet Services FY03/04 budget.

C. Alternatives/Options

1. Purchase the backhoe/loader from Peterson Machinery Co. The machine scheduled for replacement is nearing the end of its economic life. Mechanical breakdowns are occurring more frequently and service parts are becoming more difficult to obtain for this fourteen-year old unit.
2. Do not purchase at this time.

D. Recommendation

It is recommended that the Board approve entering into a contract with Peterson Machinery Co., for the purchase of one (1), new, backhoe/loader as specified in FY03/04 FS-06.

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

(IN THE MATTER OF AWARDING A
(CONTRACT TO PETERSON MACHINERY
(CO., IN THE AMOUNT OF \$78,426.00,
(WITHOUT TRADE-IN, FOR THE PURCHASE
(OF ONE (1) NEW, BACKHOE/LOADER,
(CONTRACT FY03/04 FS-06.

WHEREAS, at the duly publicized place and time on April 13, 2004, an authorized representative of the Department of Public Works, opened bids on the following:

One (1), New, Unused and Current-Model, Diesel-Powered Backhoe/Loader, with no trade-in, Contract FY03/04 FS-06; and

WHEREAS, the lowest responsive bid with no deviations was received from Peterson Machinery Co. in the amount of \$78,426.00, 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 \$78,426.00 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 May, 2004.

Chair, Lane County Board of Commissioners

APPROVED AS TO FORM

Date: 4-29-04 Lane County



CONTRACT FY03/04 FS-06

Bid Opening: Tuesday, April 13, 2004, 10:15 a.m.

BID RECAP

ONE (1), NEW, UNUSED AND CURRENT-MODEL, DIESEL-POWERED BACKHOE/LOADER WITH NO TRADE-IN.

VENDOR	MAKE/MODEL	TOTAL COST	BID BOND OR CASHIER'S CHECK
Pape Machinery	John Deere 310SG	\$78,763	Yes
Peterson Cat	Cat 420D	\$78,426	Yes