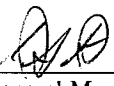




Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by:  Date: 7/15/2020
General Manager

DATE: July 17, 2020
TO: General Manager
FROM: Operations Director
SUBJECT: Purchase of One New 836K Compactor

RECOMMENDATION: That the Board of Directors: 1) Adopt Resolution 2020-11 authorizing the purchase of one new Caterpillar 836K Compactor using the preferential competitive pricing offered through the National Joint Powers Alliance (NJPA) program; and 2) Accept the proposal (attached) from Quinn Company of Salinas, CA, dated July 13, 2020 to provide a Caterpillar 836K compactor for a total price of \$1,249,424.10 (including sales tax and freight). Funds in the amount of \$1,300,000 were included in the Capital Outlay Budget for Fiscal Year (FY) 2020/21 for this purchase.

BACKGROUND

In June 2018, staff recommended, and the Board of Directors approved, the purchase of a new 836K Caterpillar compactor, (now known as Unit LF30, a 2018 Caterpillar 836K), and disposition of Unit LF11, a 2001 836G Caterpillar compactor which had 22,800 hours of operation at that time. A mid-life engine rebuild on Unit LF11 occurred at 10,600 hours of operation, which would make the life expectancy projection for this machine at 20,000 hours of operation. Depending upon when mid-life component rebuilds take place, usually between 10,000 and 12,000 hours of operation, life expectancy of a landfill compactor will range from 20,000 to 24,000 hours of operation. Prior to that, in 2016 staff had recommended and the Board of Directors had approved the purchase of a 2016 836K Caterpillar Compactor (now known as Unit LF27).

DISCUSSION

Landfill operations at the District today and for the foreseeable future utilize three compactors: 2 primary machines, Unit LF27 a 2016 Caterpillar 836K and Unit LF22 a 2007 Caterpillar 836H and 1 back-up machine, Unit LF11 a 2001 836G Caterpillar. A landfill compactor is the main piece of equipment utilized by the District's landfill operations. The compactor is designed to provide compaction and placement of refuse in the landfill. The compactor is one of the most heavily utilized pieces of equipment and operates continuously for up to 11 or 12 hours a day or over 2,000 hours annually. As such, it is one of the most carefully considered purchases the District makes. A landfill compactor is a large, heavy (over 120,000 lbs.) piece of equipment that has specially designed wheels with "spikes", also referred to as lugs, designed to break up the refuse and maximize compaction. The Caterpillar compactor continues to be the standard at a majority of public and privately owned and operated landfills across the United States. The Caterpillar dealer support network and the number of Caterpillar compactors currently in operation in the United States quantifies that the Caterpillar line of compactors are both dependable and reliable in a number of large, medium, and small operations.

As of July 1, 2020, Unit LF22 now has over 22,612 hours of operation and has far exceeded its useful life expectancy. It can no longer offer the reliable sustained service that the District landfill operations require from its back-up machine. It is critical to the landfills operating at current District tonnages and running two primary compactors to have a reliable back-up machine to fill in when repairs or servicing are required.

Purchase of one new Caterpillar 836K Compactor

July 17, 2020

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Therefore, staff has concluded that Unit LF22 has exceeded its useful life expectancy and should be scheduled for replacement. Upon arrival of the new machine, Unit LF22 will be retired and Units LF27, LF30 and the new 836K machine will serve as the primary machines. These will be rotated evenly to allow for timely preventative maintenance to ensure equally long lifecycles. This will complete the need to purchase compactors until FY 29/30.

Delivery of the new 836K compactor will be 6 to 8 months from the date order is placed.

PURCHASE CONTRACT

The District is a member of the National Joint Powers Alliance (NJPA). The NJPA is a public agency serving member agencies across the country as a municipal contracting agency. NJPA provides nationally leveraged and competitively solicited purchasing contracts under the guidance of the Uniform Municipal Contracting Law (M.S. 471.345 Subd. 15). The Joint Exercise of Power Law (M. S. 471.59) allows its members to legally purchase through its contracts without duplicating their own competitive bidding process and requirements. The result of this cooperative effort is a high-quality selection of nationally leveraged, competitively bid contract solutions to allow member agencies access to top national contract volume pricing. Quinn submitted a proposal using the preferential competitive pricing offered through the NJPA program, to provide a new Caterpillar 836K compactor, for the total price of \$1,249,424.10 (including freight and sales tax).

FINANCIAL IMPACT

Funds totaling \$1,300,000 are included in the FY 2020/21 Capital Outlay portion of the budget for this expenditure. Quinn Company has also included a 5-year 7,000 hour extended powertrain and hydraulic warranty worth \$60,000 at no charge.

STRATEGIC PLAN

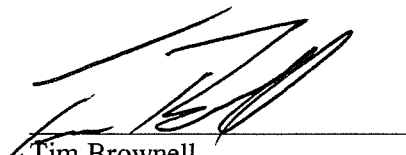
The purchase of this compactor is not directly related to the District's Strategic Plan, although it facilitates compliance with Federal and State mandated emission regulations.

CONCLUSION

It is therefore recommended that the Board of Directors:

- 1) Adopt Resolution 2020-11 authorizing the purchase of the new Caterpillar 836K Compactor without competitive bidding using the preferential competitive pricing offered through the NJPA program; and
- 2) Accept proposal by Quinn Company of Salinas, CA, to provide a new Caterpillar 836K Compactor for a total price of \$1,249,424.10 (including freight and sales tax);

Total purchase amount for the new 836K compactor not to exceed \$1,249,424.10 (including freight and sales tax).



Tim Brownell
Director of Operations



Quinn Company
 1300 Abbott Street
 Salinas, CA 93901
 (831) 775-3412

7/13/20

MRWMD
P.O. BOX 1670
MARINA, CA 93933

Attn: Efrain Lopez

Quinn Company is pleased to furnish the following proposal for your consideration.

ONE NEW CATERPILLAR 836K LANDFILL COMPACTOR with all standard and the following optional equipment.

836K LANDFILL COMPACTOR
 AXLES, NO-SPIN FRONT & REAR
 PRECLEANER, DUAL
 HYDRAULICS, STD
 HORN, ELECTRIC
 LIGHTS, LED
 CAB, DELUXE
 MIRRORS, HEATED
 PRODUCT LINK, CELLULAR PLE641
 FUEL LINES, HEATED
 FUEL TANK, NON-FAST FILL
 WHEEL, DIAMOND TIPS
 GUARD, ACTUATION, PREMIUM
 STAIRWAY, SWINGOUT (LH & RH)
STRIKER BARS W/ CLEANER FINGERS
 STARTING, COLD WEATHER
 HEATER, ENGINE COOLANT, 120V
 LIGHT, WARNING (LED STROBE)
 RADIO, AM/FM/AUX/USB/BT
 OIL CHANGE SYSTEM, HIGH SPEED
 BLADE, SEMI U

Machine List Price		1,317,680.00
NJPA Member Discount	12%	- 158,121.60
SUB TOTAL		1,159,558.40
Sales Tax @ 7.75 %		+ 89,865.77
TOTAL		1,249,424.10

Current lead time is 16-20 weeks from the date of order

If machine ships in 2021 there will be a 3.5 % price increase added to the sub total above

Standard Caterpillar warranty – 1 year unlimited hour full machine warranty

5 Year or 7,000 hour powertrain and hydraulic warranty included at no charge

Thank you for the opportunity to present the above for you current equipment needs. If you have any questions, please do not hesitate to contact me.

Sincerely,
Justin Brown
Sales Representative
Direct – 775-3412
Cell – 594-8115

All prices are subject to all applicable taxes, availability and change without further notice.

Board of Directors
Monterey Regional Waste Management District

RESOLUTION NO. 2020-11

**AUTHORIZING THE PURCHASE WITHOUT COMPETITIVE BIDDING OF ONE CATERPILLAR 836K
COMPACTOR UTILIZING THE COMPETITIVE PRICING PROGRAM OFFERED THROUGH THE
NATIONAL JOINT POWERS ALLIANCE (NJPA) PROGRAM**

-oOo-

WHEREAS, the Monterey Regional Waste Management District has a requirement for a new Landfill operations compactor to provide compaction and placement of refuse in the landfill; and

WHEREAS, NJPA establishes and provides nationally leveraged and competitively solicited purchasing contracts under the guidance of the Uniform Municipal Contracting Law (M.S. 471.345 Subd. 15). The Joint Exercise of Powers Laws (M.S. 471.59) allows its members to legally purchase through its contracts without duplicating their own competitive bidding process and requirements. The result of this cooperative effort is a high quality selection of nationally leveraged, competitively bid contract solutions to help meet the challenging needs of current and future member agencies.

WHEREAS, when the competitive bidding requirement is satisfied through the NJPA contracts, therefore, such duplication of our own competitive bidding process is not required; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Monterey Regional Waste Management District, as follows:

That the Board does hereby authorize the purchase of a Caterpillar 836K for a total cost of \$1,249,424.10 (including freight and sales tax), offered through the competitive pricing program of the NJPA, from Quinn Company of Salinas as described in that Company's proposal dated July 13,2020.

PASSED AND ADOPTED at a regular meeting by the Board of Directors of the Monterey Regional Waste Management District duly held on July 24, 2020 by the following votes:

AYES:

NOES:

ABSENT:

Carrie Theis, Chair of the Board

ATTEST:

Timothy S. Flanagan
General Manager/Secretary of the Board