



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: June 15, 2021
TO: Board of Directors
FROM: Tim Brownell
SUBJECT: Purchase of One New Caterpillar D6XE Dozer
Purchase of One New Caterpillar 740 Ejector Truck
Purchase of One New Caterpillar 966XE Loader

Reviewed by: 
General Manager

RECOMMENDATION: That the Board of Directors 1) Adopt Resolution 2021-07 (attached) authorizing the purchase of one new Caterpillar D6XE Dozer, one new Caterpillar 740 Ejector Truck, and one new Caterpillar 966XE Loader using the preferential competitive pricing offered through Sourcewell (formally known as National Joint Powers Alliance, NJPA); 2) Accept the three proposals (attached) by Quinn Company of Salinas, CA, dated June 10, 2021, to provide a Caterpillar D6XE Dozer for the total price of \$597,263.56; a Caterpillar 740 Ejector Truck for the total price of \$849,273.05; and a Caterpillar 966M Loader for the total price of \$574,996.08. Purchase total for all three pieces of equipment to be \$2,021,532.69 including sales tax, freight.

BACKGROUND

Several Heavy Equipment purchases were postponed in FY 20/21 due to Covid-19 pandemic uncertainties. Now that the District is more confident with its revenue streams, Staff is looking to replace several older pieces of equipment used in daily operations. The District operates a small fleet of Off-Road equipment utilized for various activities throughout the Site. Phasing out all of the Off-Road Equipment not powered by a Tier 4 Final diesel engine is required to meet emission standards set forth by the California Air Resources Board (CARB) by the year 2026.

Unit LF06 is a 1999 Caterpillar D6R dozer with a Tier 1 engine. This dozer, with 9,524 hours of operation, has reached the end of its useful life for the District. The dozer is a critical piece of equipment utilized by the District’s landfill operations to move sand and dirt during finish work on slopes and other related tasks. Funds in the amount \$610,000 were included in the FY 2021/22 Capital Outlay Budget for this purchase.

Unit LF12 is a 2002 Caterpillar 740 Ejector Truck with a Tier 2 engine. This truck, with 14,218 hours of operation, has become unreliable in its operation. With increased use and demand, this machine is no longer reliable to sustain Landfill, Site, and MRF activities for hauling dirt, sand, and alternate daily cover. Funds in the amount \$900,000 were included in the FY 2021/22 Capital Outlay Budget for this purchase.

Unit MR46 is a 2012 966K Caterpillar Loader with a Tier 4i (interim) engine. This loader with 19,636 hours of operation is in high demand. The loader is a critical piece of equipment utilized by MRF operations to move construction and demolition materials as well a moving, stacking, and loading single stream materials during normal operations at the Materials Recovery Facility. Funds in the amount \$575,000 were included in the FY 2021/22 Capital Outlay Budget for this purchase.

DISCUSSION

Off-Road Equipment not powered by Tier 4 Final diesel engine should be phased out to meet emission standards set forth by the California Air Resources Board (CARB) by the year 2026. Staff recommends replacing unit LF06, a 1999 D6R Caterpillar dozer (Tier 1 engine) with new D6XE Caterpillar dozer. Staff also recommends moving to the D6XE (electric drive) dozer to realize fuel consumption savings in operating cost.

In addition Staff recommends replacing unit LF12, a 2002 740 Caterpillar Ejector Truck (Tier 2 engine) with a new 740 Caterpillar Ejector Truck. This truck has become unreliable in its operation. It is not cost effective to continue with unexpected downtime, the extent of the downtime, and constant repair and maintenance of this machine. It is also not possible to complete the necessary activities within the operation schedule when the truck regularly breaks down.

Finally, Staff recommends replacing unit MR46, a 2012 966K Caterpillar Loader (Tier 4i, interim engine) with a new 966XE Caterpillar Loader. Staff also recommends moving to the 966XE (electric drive) Loader to realize fuel consumption savings in operating cost. With increased tonnages of recyclable materials coming into the MRF, this machine is in constant use and is rapidly approaching the point in its life cycle where it could experience periods of unreliability or major breakdowns and should be moved into a back-up role to support the new loader.

PURCHASE CONTRACT

The District is a member of Sourcewell (formally NJPA). Sourcewell is a public agency serving member agencies across the country as a municipal contracting agency. Sourcewell 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 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.

FINANCIAL IMPACT

Staff estimates a 25% fuel savings with the use of an electric drive dozer in District landfill, and the loader in the MRF operations. Funds totaling \$2,085,000 are included in the FY 2021/22 Capital outlay portion of the budget for this purchase.

STRATEGIC PLAN

The purchase of this new Caterpillar Equipment is not related to the District's Strategic Plan, although it facilitates compliance with Federal and State mandated emission regulations and provides the District with effective tools for support of efficient operations.

CONCLUSION

It is therefore recommended that the Board of Directors:

1) Adopt Resolution 2021-07 authorizing the purchase of new Caterpillar Equipment without competitive bidding using the preferential competitive pricing offered through the Sourcewell program; and 2) Accept proposals by Quinn Company of Salinas, CA, to provide a new Caterpillar D6XE Dozer for a total price of \$597,263.56; a new Caterpillar 740 Ejector Truck for a total price of \$849,273.05; and a new Caterpillar 966XE Loader for a total price of \$574,996.08 (all including freight and sales tax). Estimated delivery of new equipment is currently 4 to 6 months from time of order placement. The Board's approval of these purchases at this time, immediately following approval of the FY20/21 Budget, will support an 'early' delivery of the equipment.

Board of Directors
Monterey Regional Waste Management District

RESOLUTION NO. 2021-07

AUTHORIZING THE PURCHASE WITHOUT COMPETITIVE BIDDING OF ONE NEW CATERPILLAR D6XE DOZER, ONE NEW CATERPILLAR 740 EJECTOR TRUCK, AND ONE NEW CATERPILLAR 966XE LOADER UTILIZING THE PREFERENTIAL COMPETITIVE PRICING PROGRAM OFFERED THROUGH SOURCEWELL (FORMALLY KNOWN AS NATIONAL JOINT POWERS ALLIANCE, NJPA);

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WHEREAS, the Monterey Regional Waste Management District has a requirement for new heavy equipment purchases a new caterpillar D6XE Doer, new Caterpillar 740 Ejector Truck and a new Caterpillar 966XE Loader: 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; and

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

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 purchases from Sourcewell through Quinn Company of Salinas, CA approving the three proposals by Quinn Company of Salinas, CA, dated June 10, 2021, to provide a Caterpillar D6XE Dozer for the total price of \$597,263.56; a Caterpillar 740 Ejector Truck for the total price of \$849,273.05; and a Caterpillar 966M Loader for the total price of \$574,996.08. Purchase total for all three pieces of equipment to be \$2,021,532.69 including sales tax, freight

PASSED AND ADOPTED at a regular meeting by the Board of Directors of the Monterey Regional Waste Management District duly held on June 18, 2021 by the following votes:

AYES:

NOES:

ABSENT:

Jason Campbell, Chair of the Board

ATTEST:

Timothy S. Flanagan
General Manager/Secretary of the Board