

# MEMO

**Discussion / Action**  
**Item #: 7**



Meeting Date: May 19, 2023

To: Board of Directors  
From: Director of Engineering and Compliance, Guy R. Petraborg  
Approved by: General Manager, Felipe Melchor

**Subject: Approve the Purchase of Two New Liebherr L556X Wheel Loaders with 8CY Tink Roll-out Buckets from Bejac of Placentia, CA for \$780,000 Plus the 7.75% Sales Tax**

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## Recommendation

That the Board approve the purchase of two new Liebherr L556X Wheel Loaders with 8CY Tink Roll-out Buckets from Bejac of Placentia, CA for \$780,000 plus the 7.75% Sales.

## Background

On December 5, 2018, the ReGen (MRWMD) filed a Grant Application with the Department of Resources Recycling and Recovery (CalRecycle) as part of the fourth cycle of the Organics Grant Program (ORG4) - FY2019-20. The Grant Application was submitted with ReGen as the Lead Applicant, the Keith Day Company as a Participant, and TetraTech as Administration Assistant. ReGen's application was seeking a \$3 million grant as part of a \$5.5 million (2018 cost basis) Covered Aerated Static Pile (CASP) Compost Project. The grant funds would be used for project administration, design, permitting, equipment procurement, and construction of site improvements to convert the existing windrow compost facility to a CASP compost facility. The CASP operations process is an advance method of composting that reduces emissions to the environment while more directly controlling the biodegradation process through instrumentation monitoring and controlled air movement. The grant project includes site improvements such as modifications to the surface conditions, modifications to the Class II Impoundment (aka Contact Water Pond), air moving equipment and foundations, materials separation and sorting equipment, and utility upgrades.

CalRecycle administers the Organics Grant Program pursuant to Public Resource Code section 42999. The purpose of this competitive grant program is to lower overall greenhouse gas emissions by expanding existing capacity or establishing new facilities in California to reduce the amount of California-generated green materials, food materials, and/or Alternative Daily Cover (referred to as "ADC") being sent to landfills for disposal. This grant program is part of California Climate Investments, a statewide program that puts billions of cap-and-trade dollars to work to: reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment— particularly in disadvantaged communities. The Cap-and-Trade program also creates a financial incentive for industries to invest in clean technologies and develop innovative ways to reduce pollution. The California Climate Investments projects include affordable housing, renewable energy, public transportation, zero-emission vehicles, environmental restoration, more sustainable agriculture, recycling and much more.

### Physical Address

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831-384-5313 PHONE  
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ReGenMonterey.org  
@ReGenMonterey

*Let's not waste this.*



In late 2019-early 2020, CalRecycle requested ReGen to provide a status report and update on the CASP Compost project. ReGen provided an updated status report and a revised cost estimate (\$7 million 2020 cost basis). In March 2020, ReGen was informed by CalRecycle that our grant application had received a passing score for the Organic Grant Program (Cycle 4) and that CalRecycle was unable to fund our grant proposal due to limited grant funds at that time.

In September 2021, ReGen was informed that CalRecycle would be able to fund additional passing applicants during a fifth (5<sup>th</sup>) cycle of funding for FY21-22 and possibly other passing applicants during a sixth (6<sup>th</sup>) cycle of funding for FY 22-23. On February 15, 2022, CalRecycle held a public hearing and approved both Cycle 5 and Cycle 6 grants for ORG4 approved applications. CalRecycle informed us that ReGen's ORG4 grant application had been approved for a \$3 million grant award as part of the sixth cycle (ORG6) of funding for the FY22-23.

### **Discussion**

On October 13, 2022, CalRecycle delivered the ORG6-22-0002 Grant Agreement documents to ReGen for the award of \$3 million dollars for the CASP Compost project. The Board approved the ORG6-22-0002 Grant Agreement at their October 2022 regular meeting. Included in the grant agreement was the purchase of two wheel loaders cited for reimbursable grant funds in the amount of \$778,000. These two wheel loaders are the subject of this Board Report for the Board's review and consideration of approving their purchase by ReGen for the subject CASP project and ORG6 Grant.

### **Financial Impact**

Quotes were received from two equipment manufacturers for the wheel loaders equipped with "Tier 4 Final" diesel engines as required by the state air board. The attached quote from Bejac of Placentia, CA in the amount of \$780,000 (excluding sales tax) was the 'low bid'. The second quote was more than 50% more costly. The \$780,000 sales price combined with an estimated \$60,450 sales tax amount (7.75% for unincorporated Monterey County) yields a total price of \$840,450. The total price with sales tax included is estimated to be \$62,450 more than the \$778,000 grant funds amount cited for the two wheel loaders.

There is \$1,000,000 in capital funds for the CASP Compost project in ReGen's approved FY 22-23 budget which will be used for the two loaders should the Board approve their purchase. ReGen is responsible to first purchase the two loaders (\$840,450) before ReGen can seek reimbursement by the grant funds in the amount of \$778,000. Thus, ReGen will be responsible for the estimated \$62,450 amount that will not be reimbursed by the grant funds. Should the Board approve this purchase, staff intends to seek a refund of the estimated \$60,450 sales tax amount via a state qualifying program for public entities.

### **Conclusion**

Given i) the Board's original approval in 2018 to submit the ORG4 grant application for CASP Composting, ii) ReGen's continued desire to improve organics processing efficiency and reduce emissions at the same time, iii) the Board's October 2022 approval of CalRecycle's ORG6-22-0002 Grant Agreement for CASP Composting Project, and iv) ReGen's strategic plan to continue to innovate its operations in the interest of the Community and Environment, staff recommends that the Board approve the purchase of two new Liebherr L556X Wheel Loaders with 8CY Tink Roll-out Buckets from Bejac of Placentia, CA for \$780,000 plus the 7.75% Sales.

### **Attachments:**

Bejac Sales Agreement for ReGen Monterey dated March 1, 2023

CONSTRUCTION  
DEMOLITION  
FORESTRY  
RECYCLING

March 1, 2023

A Sales Agreement For:

ReGen Monterey (dba)  
14201 Del Monte Blvd  
Monterey County  
(Salinas), CA 93908

SALES

RENTALS

SERVICE

PARTS

Two (2) new Liebherr L556X Wheel Loaders

General Description:

Liebherr D944 A7 Tier 4 Final Diesel Engine  
Family Name - GLHAL7.01SQC  
221 SAE Net Horsepower  
Large Mesh Radiator  
AutoLube  
Reversible Engine Cooling Fan  
Auto-Lube  
Stepless Hydrostatic Travel Design  
Full Fall Protection Railing  
Rear Crash Protection  
Front and Rear Chassis Protection  
Pneumatic Suspension Seat and Stereo Radio  
Dual System Wet Disc Brakes  
Enclosed Cab w/Climate Control Air Conditioning  
Intelligent Cooling System  
  
Liebherr XPower Driveline w/30% fuel Savings  
Proportioning Valve Control w/3rd Valve  
Four Front and Four Rear Lights w/Swive/ing LED Amber Beacon  
Return To Dig Circuit, Bucket Leveler  
Color Led Screen w/Back up Camera, Work lights and Back-up Alarm  
Engine Screening  
Cyclone Engine Pre-cleaner and Counter Weight  
Pneumatic Tires  
No attachment or attachment coupler  
And All Standard Equipment

Warranty\*:

\*\*\*5 Year/ 3,000 hour full machine warranty, whichever comes first.\*\*\*  
\*See manufacture literature for details.

Sale Price:

Two (2) 8 CuYd Tink roll out buckets	\$708,000.00
Loaders/buckets combined total	\$72,000.00
	\$780,000.00

Price is plus tax (7.75%), FOB Monterey County (Salinas), CA 93908

By signing this agreement customer accepts the terms and conditions on page two (2) of this agreement:

Proposed By:  
Bejac Corporation

Accepted By:  
ReGen Monterey

Date: \_\_\_\_\_

When operated in California, any off-road diesel vehicle may be subject to the California Air Resources Board In-Use Off-Road Diesel Vehicle Regulation. It therefore could be subject to retrofit or accelerated turnover requirements to reduce emissions of air pollutants. For more information please visit the California Air Resources Board Website at <http://www.arb.ca.gov/lmsprog/ordiesel/ordiesel.htm>