

Board of Directors
Monterey Regional Waste Management District

RESOLUTION NO. 2007-03

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT AUTHORIZING SCOPE OF WORK FROM HERTLEIN INDUSTRIES TO PROVIDE POWER, CONTROLS, AND FIELD WIRING FOR ELECTRICAL WOOD GRINDER

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WHEREAS, the Materials Recovery Facility has been in operation for eleven years and the electrical wood grinder is scheduled to be replaced during 2007; and

WHEREAS, Hertlein Industries provided design and installation services related to electrical components when the MRF was constructed in 1996, and

WHEREAS, Hertlein Industries has provided operations and maintenance assistance to the District, related to electrical matters in the MRF during eleven years of operation, and has prepared the specifications and bid package for the selection of the electrical wood grinder to be installed during 2007; and

WHEREAS, the Board approved an increase to the Fiscal Year 2006-2007 budget at their January 2007 Board meeting for this work for a total of \$850,000, and staff has received firm pricing for \$955,089.25, and

WHEREAS, information has been provided to the Board this date which indicates that by virtue of special or unique specifications, experience, knowledge, circumstances and cost effectiveness, the scope of work with Hertlein Industries best meets the needs of the District and requesting additional proposals would not produce an advantage to the public and would, therefore, not be in the public interest,

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the Monterey Regional Waste Management to authorize the scope of work from Hertlein Industries to provide power, controls, and field wiring and other materials for the new electrical wood grinder installation, for a price not to exceed \$374,555, as described in Hertlein Industries' proposal dated April 3, 2007.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Monterey Regional Waste Management District duly held on April 20, 2007, by the following votes:

AYES:

NOES:

ABSENT:

Leo Laska
Chair of the Board

ATTEST:

William M. Merry
General Manager/Board Secretary



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by Wmm Date 4.13.07
General Manager

DATE: April 13, 2007
TO: General Manager
FROM: Assistant General Manager
SUBJECT: Authorize Scope of Work from Hertlein Industries to Provide Power, Controls and Field Wiring for Electrical Grinder.

RECOMMENDATION: That the Board of Directors adopt Resolution 2007-03 authorizing scope of work from Hertlein Industries for the purchase of electrical equipment, and the installation, testing, connection and start-up of the new portable electric wood grinder in the amount of \$374,555. Funds in the amount of \$700,000 were included in the 2006-07 Capital Outlay budget, which was increased in the January 2007 Midyear Budget Review to \$850,000. The project cost, with this cost, will total \$955,089, which is \$105,089 (11%) above the \$850,000 budgeted amount. Funds to cover the cost of this work are available from reduction in overall Capital Outlay.

BACKGROUND

At the August 18, 2006 Board meeting, the Board of Directors authorized staff to prepare specifications and a "Call for Bids" for the acquisition of the wood grinder. On November 6, 2006 a notice inviting sealed bids was distributed to eight potential bidders. Peterson Pacific was the low bidder. Peterson's exceptions to the bid conditions and specifications were minor and acceptable to the Monterey Regional Waste Management District (District). Our past experience with Peterson's equipment and service has been favorable. The Board authorized the purchase at the December 15, 2006 meeting and delivery was anticipated to be approximately 180-210 days from that date.

DISCUSSION

The existing Peterson Pacific 3450 electric wood grinder has been in operation since April 1996. Changes in technology have substantially improved grinding rates and efficiencies. The new grinder is capable of processing up to 80 tons per hour (tph) of green waste as rated by the manufacturer as opposed to the 30 tph from our existing grinder. The new grinder is also capable of grinding waste asphalt roofing material recovered at the Materials Recovery Facility for beneficial use around the site. In the past, we have hired a contractor to bring in a portable grinder to process the asphalt roofing shingles.

There are several major benefits of the specification and purchase of an electric grinder as opposed to a standard diesel powered grinder. As the District produces all of its electrical generations needs on site, we have essentially a "free" fuel source. Additionally, the District enjoys a reduction in greenhouse gases from running equipment from a self-powered electrical source as opposed to a fossil fuel burning source. However, a substantial portion of the upfront cost of the grinder purchased is to accommodate the tie-in to our electrical generation system and to allow for the grinder to be portable to other locations on site. The existing grinder is not capable of being transported or moved from its location.

At the January 19, 2007 Board meeting, the Board of Directors authorized budget revisions to the 2006-2007 Capital Budget for the electric grinder. Without the ability to have firm committed bids on several key equipment components, staff and District consultant, Hertlein Industries (who worked on the electrical connections and site electrical interface during the original installation), projected a revised estimate of \$850,000. We have now received firm pricing for the electrical components, wiring, switchgear, and labor installation. The revised total projected cost of the new electric grinder, including freight, installation and sales tax is \$955,089. Staff recommends the adjustment of the additional \$105,089. This constitutes an 11% increase. The scope of work and associated equipment cost are attached.

PROJECT BUDGET AND SCHEDULE

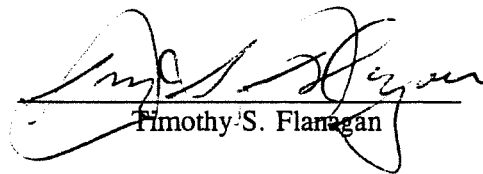
The purchase, installation, and startup of the new grinder has proceeded in several distinct phases, as follows:

Phase	Task	Completion		Cost
I	Award Bid, Order Grinder	December 2006	Completed	\$580,000
II	Obtain Building Permit	April 2007	Pending	TBD
III	Electrical & Control Installation	June/July 2007	Pending	\$375,000
TOTAL				\$955,089

It should be noted that the option of purchasing a portable electric grinder versus a stationary electric grinder was done in order to give staff adequate time to analyze the future anticipated grinding requirements of the District, as recycling requirements and laws change (i.e., C&D Ordinance). The portable grinder will also help minimize permitting expenses during the analysis period. A building permit will probably be required due to electrical panel modifications.

CONCLUSION

It is therefore recommended that the Board of Directors approve the scope of work from Hertlein Industries authorizing purchase of the required electrical components and equipment for the installation of the electric wood grinder in the amount of \$374,555.


Timothy S. Flanagan

Attachments

