



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by WMM Date 11/11/09
General Manager

DATE: November 13, 2009
TO: General Manager
FROM: Maintenance Manager
SUBJECT: Purchase of One New Caterpillar 324DL Excavator

RECOMMENDATION: That the Board of Directors authorize the purchase of one Caterpillar Model 324DL excavator from Quinn Company of Salinas, CA, for a total price of \$224,112.50 (including sales tax and freight). Funds for this purchase are available in the Capital Outlay Budget.

BACKGROUND

During the budget process staff solicits verbal equipment price estimates from local dealers, considers options that need to be added, and then estimates a total cost for the piece of equipment. Staff was considering purchasing an excavator with the elevating cab feature. However, the demonstration promised did not take place by the one vendor with this feature. Therefore, staff decided it would be best to postpone the purchase of a machine with this more expensive option and continue with a standard cab position machine. Funds in the amount of \$300,000 were included in the FY 2009/10 Capital Outlay Budget for the purchase of a new excavator. The new excavator will perform various tasks associated with receiving and recycling refuse processed at the Materials Recovery Facility (MRF). It will replace a 1996 Caterpillar 315L excavator that has reached the end of its useful life with over 19,000 hours of use.

At the September 2009 meeting, the Board authorized the issuance of a Request for Proposals to acquire the new excavator and staff proceeded to prepare specifications. On October 5th, a notice inviting proposals was distributed to four potential respondents.

DISCUSSION

The use of the proposal process assures that the equipment being purchased meets the District's specifications and allows staff to make comparisons to justify the price proposed. This is accomplished by requiring respondents to measure their equipment to certain build requirements the District has determined provide the best performance and reliability. When a respondent takes exception to any of the build requirements they must explain in detail how the variation from specification will affect the performance or reliability of the equipment. Staff can then examine the exceptions along with the proposed price and choose the equipment that offers the best value to the District.

REPORT OF PROPOSALS

On October 23, 2009 at 2:00 p.m., proposals for the new excavator were opened and publicly declared. Of the four invitations that were sent out, three proposals were received as follows:

Vendor	Manufacturer/Model	Exceptions	Total
Quinn Company, Salinas	Caterpillar 324DL excavator with CAT G125B wear plated grapple	6	\$224,112.50
Volvo Construction Equipment & Services, San Leandro	Volvo EC-240C excavator with La Bounty HDR50 wear plated grapple	6	\$227,478.50
Pape Machinery, Gilroy	John Deere 240DLC excavator with JRB 4555-HDGR wear plated grapple	6	\$231,958.10
Sennebogen, Sacramento	No Response		

The Volvo representative included an option in his proposal price that the RFP specified should be quoted as a separate line item; this error by Volvo resulted in Caterpillar being the lowest proposed price for a machine meeting the requirements of the District.

CONCLUSION

The proposals were reviewed by staff and it was concluded that the low proposal from Quinn Company of Salinas, CA satisfies and/or exceeds the specification and best meets the needs of the District. Service will be provided by Quinn Company and delivery will be within 120 days. It is therefore recommended that the Board authorize the purchase of a Caterpillar 324DL excavator from Quinn Company for a total price of \$224,112.50.



Ron Mooneyham

