

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
ACTION ITEM**

SUBJECT: **CONTRACT AWARD/Landfill Articulated Truck Purchase**

ELECTION DISTRICT: Catoctin

CRITICAL ACTION DATE: April 12, 2016

STAFF CONTACTS: Ernest Brown, General Services
Michael Fairbanks, General Services
Andy Bollinger, General Services
Phil Butterfass, Finance and Procurement

PURPOSE: To purchase one (1) Articulated Dump Truck for the Loudoun County Solid Waste Management Facility (LCSWMF).

RECOMMENDATION: Staff recommends the Finance/Government Operations and Economic Development Committee recommend to the Board of Supervisors that the Purchasing Agent be authorized to purchase an articulated dump truck for the LCSWMF from Caterpillar Inc., in the estimated amount of \$689,887.

BACKGROUND: The LCSWMF requests authorization to purchase an articulated dump truck. The vehicle identified for purchase is a Caterpillar 745C Articulated Dump Truck, which is an off-road articulated truck that will be used at the facility to haul cover soil, vegetative waste, rubble and crushed stone. The articulated dump truck is a replacement of an existing machine. The LCSWMF will purchase the equipment through the use of a cooperative contract with the National Joint Powers Alliance (NJPA), of which Loudoun County is a member. The NJPA is a governmental agency operating under the enabling authority outlined in Minnesota Statute 123A.21. This statute was created in 1978 and revised in 1995 to allow participating government and education agencies to reduce the cost of purchased equipment and products by leveraging their combined national purchasing power. The NJPA establishes and provides nationally leveraged and competitively solicited purchasing contracts. Members can purchase through NJPA contracts without duplicating their own competitive bidding process and requirements. The result of this cooperative effort is a variety of nationwide, high-volume, cost-effective competitively bid contract solutions and services.

ISSUES: The existing landfill equipment is scheduled for replacement due to use, age and cost of increased maintenance and repair and further erosion of trade value. Caterpillar Inc. is offering trade-in credit in the amount of \$45,000 for a 2004 John Deere 350D SN articulated dump truck with 9,785 hours. The trade value is fair, given the machine is in very poor condition, and has high hours. A surplus sale of the machine would likely net much less. To manage the current waste tonnage volume at the LCSWMF, replacement of this piece of equipment is recommended. The Caterpillar 745C Articulated Dump Truck, the replacement vehicle, is of similar size to the 2004 John Deere 350D SN articulated dump truck with increased capacity.

FISCAL IMPACT: The total purchase price of the requested equipment is \$689,887. Landfill revenues have been placed in the fleet replacement fund for the replacement unit. This purchase is fully funded by landfill fee revenue; no debt service expense will be incurred and no local tax funding is required. This amount of landfill fee revenue used for this purpose is in excess of the amount of fee revenue necessary to offset existing debt service for FY 2016 for the LCSWMF.

ALTERNATIVES:

1. Recommend to the Board of Supervisors that the Purchasing Agent be authorized to purchase an articulated dump truck for the Loudoun County Solid Waste Management Facility from Caterpillar Inc. in the estimated amount of \$689,887.
2. Do not recommend award of contract and direct staff on how to proceed.

DRAFT MOTIONS:

1. I move that the Finance/Government Operations and Economic Development Committee recommend to the Board of Supervisors that the Purchasing Agent be authorized to purchase an articulated dump truck for the Loudoun County Solid Waste Management Facility from Caterpillar Inc. in the estimated amount of \$689,887.

OR

2. I move an alternate motion.