

# Lompoc City Council Agenda Item

City Council Meeting Date: August 2, 2011

TO: Laurel M. Barcelona, City Administrator

FROM: Ray Ambler, Purchasing and Materials Manager  
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SUBJECT: Award of a Contract to purchase One Horizontal Grinder in the amount of \$394,071.25

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**RECOMMENDATION:** That the City Council:

Approve the award of a contract to purchase a Horizontal Wood Grinder from Morbark Inc. of Winn, Michigan in the amount of \$394,071.25 and authorize the Purchasing and Materials Manager to issue a purchase order. Authorize the appropriations carryover of \$312,318 from the 2009-2011 budget to the 2011-2013 budget in account 73000-75000 and authorize a supplemental appropriation in the 2011-2013 budget of \$81,754 in account 73000-75000, Capital outlay - equipment replacement.

**BACKGROUND AND/OR DISCUSSION:**

The wood grinder at the Lompoc Landfill is used exclusively to grind wood and green waste hauled to the landfill by customers in the Lompoc Valley Wasteshed. During FY 2011, approximately 5,200 tons of green and wood waste was ground at the landfill. Landfill staff are required to cover the active working face, (trash pile) every day. Once ground, the wood and green waste is used for alternative daily cover (ADC) on the active working face. That cover protects the environment and saves valuable dirt stockpiles required for intermediate and final cover. The wood and green waste cover material has also been approved by the Regional Water Quality Control Board to be used for cover during light rain conditions when dirt is unavailable.

The City of Lompoc purchases a scheduled replacement Horizontal Wood Grinder for the Solid Waste Department based on factors such as operating reliability, emissions requirements, maintenance cost record, age and operating hours. Exhaust emissions limits require that equipment to be replaced in fleet and not used further in California. Lower emissions equipment engines cost significantly more. The existing grinder was determined to have a useful life of 10 years and was originally scheduled to be replaced in 2010. Recent increased maintenance costs include the inability to get parts for a discontinued line from the manufacturer, the need to have unique repair parts created locally, and the rental cost for temporary replacement at \$30,000 per month.

In April of 2011, the City invited bids directly from manufacturers of such equipment. The bid was published in the Lompoc Record, and on the City's web site available for download. Seven bids were received. One bid did not meet the tier four power plant specification and was not considered further. Other bids are listed below:

|                   | Price        | Chassis~Engine<br>Warranty | Delivery    |
|-------------------|--------------|----------------------------|-------------|
| Morbark 3800      | \$394,071.25 | 3~5 years                  | 60 days     |
| Vermeer           | 407,984.97   | 1~2                        | No Response |
| Morbark 3800XL    | 412,281.00   | 3~5                        | 60 days     |
| Bejac Bandit      | 441,744.56   | 1.5~2                      | 60 days     |
| Roto Chopper      | 490,941.83   | 1~2                        | 120 days    |
| Bandit Industries | 492,535.75   | 1.5~2                      | 60 days     |

Morbark 3800 is determined to be the most responsive bid, have the best standard warranty, shortest delivery time and is determined to be the most advantageous to the City.

**CONCLUSION:**

Staff therefore recommends the City Council authorize the appropriations carryover of \$312,318 from the 2009-2011 budget to the 2011-2013 budget in account 73000-75000 and authorize a supplemental appropriation in the 2011-2013 budget of \$81,754 in account 73000-75000, Capital outlay - equipment replacement and approve the award of a contract for one horizontal Grinder to Morbark Inc. of Winn, Michigan. This award has been reviewed and recommended by Anthony Garcia, Fleet & Facilities Superintendent.

**FISCAL IMPACT:**

The Horizontal Grinder was originally in the 2009-2011 replacement schedule and funded by department charges that were paid into the Equipment Replacement Fund. The estimated replacement cost of \$312,318 is currently in designated reserves in the Fleet Fund. The CARB Tier 4 standard began phasing in January 2011. The Tier 4 rule cuts down the soot an engine may emit by 90% compared to the current Tier 3 standard, and it cuts the amount of NOx an engine is allowed to put out by 45%. Increased costs because of the Tier 4 requirements mean that the remaining \$81,753.25 must be charged to the Fleet department. It was a part of the lease-financing with Holman Capital and there is enough funding left in the lease-finance account to pay for the entire vehicle. Funds for this purchase will be available in the Equipment Replacement Fund, Account No. 73000-75000 upon the approval of the appropriations carryover and supplemental appropriation actions requested.

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Ray Ambler, Purchasing & Materials Manager

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Anthony Garcia, Fleet & Facilities  
Superintendent

APPROVED FOR SUBMITTAL TO THE CITY ADMINISTRATOR:

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Brad Wilkie, Management Services Director

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Larry Bean, Public Works Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

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Laurel M. Barcelona, City Administrator