

Staff Report

TO: Board of Directors
FROM: Steve L. Prosser Jr., Maintenance Manager
DATE: May 25, 2022
SUBJECT: Purchase of 4-Wheel Drive Loader (Consent)

MAINTENANCE

RECOMMENDATION:

Approve the purchase of one new Caterpillar four-wheel drive construction loader in the amount of \$221,203.42 from Holt of California to replace a Tier zero 1994 loader.

BACKGROUND:

This purchase would replace a loader that is over 28-years old. The replacement of this machine helps the District with future off-road compliance issues. There are requirements in the **Off-Road Diesel Equipment Requirements** which require us to phase out older low tier equipment. This requirement will eventually require us to phase out all old equipment.

This loader is a direct replacement size of the existing machine. This machine can be used at any of the District's properties and plays a vital role in the Grass Valley yard to load trucks, assist with construction projects on both raw water and treated water, and snow removal in the winter keeping the Grass Valley yard open.

BUDGETARY IMPACT:

The Purchasing Department solicited a Request for Quotation (RFQ) from three (3) vendors and received the following bid proposals from all three of the vendors that were solicited.

Bidder	Vehicle Cost	(Trade)	Total
Holt of Ca	\$236,173.42	(\$15,000.00)	\$221,203.42
Pape	\$261,246.23	(\$9,500.00)	\$270,746.23
Sonsray	\$239,445.86	(\$15,000.00)	\$254,445.86

As seen with other recent Requests for Proposals, due to continuing supply difficulties from the pandemic and continuing global instability, the quotations received for this purchase stipulated probable market delays ranging from 9 to 18 months. Subsequent to the bidding process, staff was contacted by the lowest bidder stating that a loader has

become available that meets all of the required specifications and could be delivered within six months.

ADDITIONAL INFORMATION:

The fleet department has pulled comparisons on the existing loader value and found that the trade-in value identified by the lowest bidder is appropriate and would exceed the potential revenue received by the District if the surplus equipment was sent to auction. Our current loader is impossible to run in California if transferred, as it is a Tier zero-emission piece of equipment. Therefore, it would have to be sold out-of-state. Fleet Maintenance researched five recent auction listings for loaders of a similar age and size and found a price range between \$ 7,000.00 to \$16,000.00. This does not include the cost to the District for delivery of the equipment to auction or the 20% auction fee, thereby reducing the funds to the District below the provided trade-in value amount.

FISCAL IMPACT:

This purchase is identified and approved in the Water Capital Project list for budget year 2022 for the amount of \$250,000. Holt of California is the lowest bidder at \$221,203.42, which would provide for a budget savings of \$28,796.58. No additional budget is needed.