



Interoffice Memorandum

APPROVED BY ORANGE
COUNTY BOARD OF COUNTY
COMMISSIONERS

BCC Mtg. Date: Feb. 9, 2016

January 11, 2016

TO: Mayor Teresa Jacobs
and the Board of County Commissioners

FROM: *GW* for Johnny Richardson, Manager, Procurement Division

CONTACT: Jim Becker, Manager, Solid Waste Division
407-254-9660

SUBJECT: Approval of Purchase Order M76711, Second Life Re-build of Caterpillar
740 Articulated Dump Truck

ACTION REQUESTED:

Approval of Purchase Order M76711, Second Life Re-build of Caterpillar 740 Articulated
Dump Truck, to Ring Power Corporation in the total amount of \$401,238.39.

PROCUREMENT:

The 740 articulated dump truck is used to haul cover soil and road materials to meet the
legal and performance requirements of Orange County's permit to operate the landfill.
Compost and yard waste is also moved when required.

FUNDING:

Funding is available in account numbers 4410 038 1036 6430 and 4410 038 1025 3820.

APPROVALS:

The Solid Waste Division concurs with this recommendation.

REMARKS:

The 740 articulated dump truck has reached the end of its productive life and must either
be traded in or may be completely re-built to new machine condition, which is referred to
as a second life re-build.

The following analysis was performed to support this approach:

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Approval of Purchase Order M76711
Second Life Re-build of Caterpillar 740 Articulated Dump Truck

| <u>New 740 Articulated Dump Truck</u> | |
|--|--------------------|
| • New 740 Truck | \$578,738 |
| • Sixty (60) Month Maintenance Agreement | \$ 52,238.39 |
| • Less Trade-In Value of Existing Dozer | (\$ 60,000) |
| • Residual Value in 5 years | <u>(\$125,000)</u> |
| Net Cost of New 740 Dump Truck | \$445,976.39 |

| <u>Second Life Re-build</u> | |
|--|--------------------|
| • Rebuild Cost | \$349,000 |
| • Sixty (60) Month Maintenance Agreement | \$ 52,238.39 |
| • Residual Value in 5 years | <u>(\$ 30,000)</u> |
| Net Cost of Second Life Rebuild | \$371,238.39 |

The second life re-build provides a savings of \$74,738 over the cost for a new 740 articulated dump truck. Staff has performed this price analysis and considers the second life costs to be both reasonable and in the County's best interest.

The second life re-build program is provided by Ring Power Corporation, the manufacturer's local factory authorized sales and service facility. Ring Power Corporation is the only authorized repair facility for Caterpillar equipment in this area. The second life re-build of the dump truck will completely tear down the truck to its component parts. All parts will be refurbished to new part specifications or replaced by new parts.

In addition to providing a like-new truck with a new-equipment warranty of sixty (60) months or 7,500 hours, whichever comes first, the maintenance agreement provides regularly scheduled maintenance including, but not limited to, the replacement of oils, fluids, filters, mechanical adjustments, lubrications and safety inspections.