



COUNTY OF HUMBOLDT

For the meeting of: 2/25/2020

File #: 20-182

To: Board of Supervisors

From: Public Works

Agenda Section: Consent

SUBJECT:

Lease/ Purchase of One (1) Caterpillar CW16 Paving and Compaction Chip Seal Roller and One (1) Powerscreen Chieftain 1700, Authorization to Enter into Lease/Purchase Agreement and Declare Equipment Surplus

RECOMMENDATION(S):

That the Board of Supervisors:

1. Authorize the lease/purchase of one (1) Caterpillar CW16 Paving and Compaction Chip Seal Roller and one (1) Powerscreen Chieftain 1700;
2. Authorize the Purchasing Agent to enter into a lease/purchase agreement with Umpqua Bank Equipment Leasing & Finance; and
3. Declare one 1988 Hyster Chip Seal Roller C530A, equipment number 46828 as surplus equipment.

SOURCE OF FUNDING:

Roads Fund (1200325)

DISCUSSION:

Humboldt County Public Works, Roads Maintenance Division is requesting authorization to enter into a lease/purchase agreement for one (1) Caterpillar CW16 Paving and Compaction Chip Seal Roller and one (1) Powerscreen Chieftain 1700. The chip sealer rollers will replace one (1) existing 1988 Hyster chip seal roller that is no longer functioning. Should the Board choose to declare the 1988 Hyster chip seal roller, equipment number 46828, as surplus, it will be cannibalized and used as parts for the current fleet.

The Public Works Heavy Equipment Division received one (1) quote for the Caterpillar CW16 Paving and Compaction Chip Seal Roller from Peterson CAT a member of Sourcewell, formally the National Joint Powers Alliance. Public Works intends to lease/purchase this piece of equipment under the Caterpillar Inc. cooperative purchase agreement.

The Public Works Heavy Equipment Division received one (1) quote for a used the Powerscreen

Chieftain 1700. This is a specialty roads item that is custom configured and retailed by Powerscreen of California and Hawaii and meets California emission standards.

Financial Pacific Leasing Inc., doing business as Umpqua Bank Equipment Leasing & Finance, a subsidiary of Umpqua Bank, has financed previous lease/purchases for the Humboldt County Department of Public Works, and is the most competitive financing option. The amount to be financed for the Caterpillar CW16 Paving and Compaction Chip Seal Roller and Powerscreen Chieftain 1700, including the sales tax, shipping and license fees, shall not exceed a total of Three Hundred Two Thousand Dollars (\$302,000.00). The financing term will be for sixty (60) months at 1.81 percent interest.

FINANCIAL IMPACT:

The projected monthly payment on the equipment is Five Thousand Four Hundred Sixty-Four Dollars and Fifty Cents (\$5,464.50). The maximum cost for the remainder of fiscal year 2019-2020 is Twenty-One Thousand Eight Hundred Fifty-Dollars (\$21,858.00) and Sixty-Five Thousand Five Hundred Seventy-Four Dollars (\$65,574.00) annually for the remainder of the five (5) year lease/purchase term. The leased equipment is expected to arrive within sixty (60) days after execution of the lease/purchase agreement.

There is sufficient appropriation in the fiscal year 2019-2020 budget for the monthly lease payments for the new equipment. Future payments will be budgeted annually during the budget process from fund 1200, budget unit 325 - Roads Maintenance. There is no impact to the General Fund.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by managing our resources to ensure sustainability of services .

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could deny the purchase. This alternative is not recommended because it will cause a shortage of heavy equipment required for road maintenance.

ATTACHMENTS:

1. Peterson Quote 173305-02
2. Caterpillar Inc. Sourcewell Contract Acceptance and Award
3. Power Screen Quote 2019-870
4. Umpqua Equipment Lease/Purchase Agreement Summary

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A

File No.: N/A

