



Agenda Report

MEETING DATE: Tuesday, April 25, 2023

TO: City Council

FROM: INTERIM PUBLIC WORKS & UTILITIES DIRECTOR VIDES
SOLID WASTE DIVISION MANAGER SMITH
ADMINISTRATIVE ANALYST BEJAR

THROUGH: CITY MANAGER MENDEZ

SUBJECT: AUTHORIZE PURCHASE OF A CATERPILLAR LANDFILL
COMPACTOR FROM PETERSON CAT AND APPROPRIATE
FUNDS IN THE SOLID WASTE DIVISION IN THE AMOUNT OF
\$717,876.29

RECOMMENDED ACTION:

Staff recommends that the City Council adopt a resolution authorizing the purchase of a 2023 Caterpillar Model 816 Compactor, from Peterson CAT through the purchasing authority of Sourcewell (formerly NJPA) Purchase Agreement No. 032119-CAT, in an amount not to exceed \$717,876.29; and authorizing the City Manager to execute the purchase agreement and to appropriate funds of the same amount in the Solid Waste Enterprise Fund 0740.

DISCUSSION:

The Solid Waste Division will resume receiving refuse at the City's Landfill in 2024 and is in need of a compactor to process collected solid waste material from the community. The City's Landfill received its last load of refuse in September of 2020 and refuse currently is disposed of at ReGen in Monterey. To control cost with tipping fees the City will resume operations at the Landfill and a compactor is needed for compaction efficiency.

The City's Purchasing Policies, specifically subdivision (e) of § 3-5.210 of the Watsonville Municipal Code, exempts purchases made cooperatively with one (1) or more units of government through cooperative purchasing programs substantially the same as the City of Watsonville. The City typically purchases vehicles through a cooperative purchasing source such as Sourcewell (Formerly NJPA) and received a quote from Peterson CAT, which is a member of Sourcewell for the purchase of one (1) 2023 Caterpillar Model 816 Compactor, in an amount of \$717,876.29.

City staff has reviewed the quote and recommends a budget allocation of the same amount in the Solid Waste Enterprise Fund 0740 so that the purchase and procurement

can proceed. This purchase will be funded by a low interest loan from IBANK, which City Council authorized in June 2022 under Resolution No. 115-22.

STRATEGIC PLAN:

This purchase supports Strategic Plan Goal:
3 – Infrastructure and Environment

FINANCIAL IMPACT:

The City obtained a loan from IBANK in the amount of \$6,000,000 of which \$750,000 was allocated for the purchase of the compactor. Once City purchases the compactor, a loan disbursement of matching amount will be requested and deposited into the budget account number created for the IBANK loan in the Solid Waste Fund. This purchase requires a new budget appropriation of \$717,876.29 in the Solid Waste Enterprise Fund 0740 and the creation of an associated new CIP project number.

ALTERNATIVE ACTION:

None recommended.

ATTACHMENTS:

- 1) Peterson Cat Quote 211526-01