



DATE: December 6, 2021

MEMO TO: Jessica Vealitzek, Chair
Operations Committee

Julie Simpson, Chair
Finance Committee

FROM: John E. Nelson
Director of Operations and Infrastructure

RECOMMENDATION: Recommend Approval of a Resolution Awarding a Contract to purchase a Caterpillar Compact Track Loader to Altorfer Industries, Inc. in the net amount of \$37,302.76 and Authorizing the Disposal of Surplus Equipment as a Trade-in.

STRATEGIC DIRECTION SUPPORTED: Organizational Sustainability.

FINANCIAL DATA: The total gross cost for the desired replacement equipment for Unit 275 is \$82,302.76. Altorfer is offering a trade-in value of \$45,000.00 for Unit 275. Equipment user fees collected for Unit 275 through the end of FY2021 total \$42,445.00 and are sufficient to fund the net actual cost of \$37,302.76. In the FY2021 Budget the Equipment Replacement Fund (92104100-804100) identified specific types of equipment to be evaluated for replacement in 2021. As discussed further below, Unit 275 was not included in that list, but is in need of replacement because of its poor performance. The Equipment Replacement Fund has sufficient uncommitted funds to cover the cost of the replacement.

BACKGROUND: Equipment Unit 275 is a 2016 Caterpillar 297D Compact Track Loader. Unit 275 was expected to be in service for up to fifteen (15) years. However, it has had a track-record of repetitive service concerns and poor performance. Unit 275 has been down for service most of 2021, and at this time neither the District's staff nor Altorfer Industries' service team, in consultation with Caterpillar technical and engineering support, has been able to resolve the mechanical issues with the piece. Therefore, it is recommended that Unit 275 be replaced now ahead of schedule.

The desired replacement piece to be purchased is a 2022 Caterpillar 289D3 Compact Track Loader with accessories. This equipment is being purchased through a Sourcewell contract, pursuant to the Illinois Governmental Joint Purchasing Act. Sourcewell (formerly known as The National Joint Powers Alliance) is an intergovernmental purchasing cooperative and unit of local government created by the Minnesota legislature (Minn. Const. art. XII, sec. 3).

As consolation for the performance issues experienced with Unit 275, Altorfer Industries, Inc., as the local dealer and service for Caterpillar, has offered to accept Unit 275 as a trade-in toward a new machine with a value of \$45,000.00. Approval by the Board is required to dispose of the piece.

The new loader is expected to be in service for fifteen (15) years per the District's equipment replacement guidelines.

REVIEW BY OTHERS: Chief Operations Officer, Director of Finance, Purchasing Manager, Corporate Counsel.

**LAKE COUNTY FOREST PRESERVE DISTRICT
LAKE COUNTY, ILLINOIS**

**A RESOLUTION AWARDING A CONTRACT TO PURCHASE A COMPACT TRACK
LOADER TO ALTORFER INDUSTRIES, INC., AND AUTHORIZING THE DISPOSAL
OF SURPLUS EQUIPMENT**

WHEREAS, the Lake County Forest Preserve District (the “District”) desires to purchase one 2022 Model 289D3 Caterpillar Compact Track Loader or approved equivalent (the “Equipment”); and

WHEREAS, pursuant to the Illinois Governmental Joint Purchasing Act, 30 ILCS 525/1, et seq., any governmental unit may purchase personal property, supplies, and services jointly with one or more other governmental units if one of the governmental units has publicly advertised for, and received, competitive sealed bids or competitive sealed proposals and has awarded a contract for such personal property, supplies, and services to the lowest responsible bidder or highest ranking proposer, all in accordance with such Act; and

WHEREAS, Sourcewell (an intergovernmental purchasing cooperative and unit of local government created under Minnesota law) has publicly advertised for, and received, competitive sealed proposals for the Equipment; and

WHEREAS, Sourcewell has awarded contract 032119-CAT to Caterpillar, Inc. as the highest ranking proposer for the Equipment (the “Sourcewell Contract”), and the Sourcewell Contract provides that other units of local government may also enter into contracts with Caterpillar, Inc. on the same terms as provided in the Sourcewell Contract; and

WHEREAS, Caterpillar, Inc., has provided a proposal for the Equipment, pursuant to the Sourcewell Contract, for a price of \$82,302.76 (the “Contract Price”); and

WHEREAS, it is in the best interest of the District to award a contract for the Equipment to Altorfer Industries, Inc. as the agent of Caterpillar, Inc. for the Contract Price on the same terms as provided in the Sourcewell Contract (the “Contract”); and

WHEREAS, the Board of Commissioners hereby finds that a 2016 Caterpillar 297D Compact Track Loader – Unit 275 (“Trade-In Equipment”) has outlived its useful life or is surplus and that it is no longer necessary, useful, or in the best interest of the District to retain ownership of the Equipment; and

WHEREAS, Altorfer Industries, Inc. has offered a credit of \$45,000.00 against the Contract Price as trade-in value for the Trade-In Equipment; and

WHEREAS, it is in the best interest of the District to dispose of the Trade-In Equipment as provided herein;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Lake County Forest Preserve District, Lake County, Illinois, THAT:

Section 1: Recitals. The recitals set forth above are incorporated as part of this Resolution by this reference.

Section 2. Award of Contract. The proposal submitted by Caterpillar, Inc. for the Equipment in the amount of the Contract Price is hereby accepted, and the Contract for the Equipment is hereby awarded to Altorfer Industries, Inc., as agent of Caterpillar, Inc.

Section 3. Execution of Contract. The Executive Director of the District is hereby authorized and directed to execute the Contract with Altorfer Industries, Inc.

Section 4: Disposal of Trade-In Equipment. The Executive Director, or his designee, is hereby authorized to cause the Trade-In Equipment to be sold "as is," to Altorfer Industries, Inc., for a price not less than \$45,000.00, thus reducing the Contract Price to \$37,302.76.

Section 5. Payments. The Treasurer shall make payments under the Contract only pursuant to and in accordance with the Contract terms.

Section 6. Effective Date. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED this _____ day of _____, 2021

AYES:

NAYS:

APPROVED this _____ day of _____, 2021

Angelo D. Kyle, President
Lake County Forest Preserve District

ATTEST:

Julie Gragnani, Secretary
Lake County Forest Preserve District

Exhibit No. _____