



# COUNTY OF HUMBOLDT

For the meeting of: 2/27/2024

File #: 24-199

**To:** Board of Supervisors

**From:** Public Works

**Agenda Section:** Consent

**Vote Requirement:** Majority

**SUBJECT:**

Lease/Purchase of One (1) New Caterpillar Model: AP455 Paver, 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) AP455 Asphalt Paver;
2. Authorize the Purchasing Agent to enter into a lease/purchase agreement with Caterpillar; and
3. Declare one (1) 2000 Leeboy Paver, Equipment number 95105 as surplus equipment.

**SOURCE OF FUNDING:**

Heavy Equipment ISF (3540330)

**DISCUSSION:**

Humboldt County Public Works, Heavy Equipment Division is requesting authorization to enter into a lease/purchase agreement for one (1) Caterpillar AP455 Asphalt Paver. The paver will replace one (1) existing 2000 Leeboy Paver that is in need of extensive, cost prohibitive, repairs and no is longer California Air Resources Board (CARB) compliant. Should the Board choose to declare the 2000 Leeboy Paver number 95105, as surplus, it will be sold in auction.

The Public Works Heavy Equipment Division received one (1) quote for the Caterpillar AP455 Paver 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.

**FINANCIAL IMPACT:**

<b>Expenditures (Fund, Budget Unit)</b>	<b>FY22-23</b>	<b>FY23-24 Projected</b>	<b>FY24-25 Projected</b>
Budgeted Expenses	\$44,607	\$107,058	\$107,058

<b>Total Expenditures</b>	<b>\$44,607</b>	<b>\$107,058</b>	<b>\$107,058</b>
<b>Funding Sources (Fund, Budget Unit)</b>	<b>FY22-23 Adopted</b>	<b>FY23-24 Projected*</b>	<b>FY24-25 Projected*</b>
Fees/Other	\$44,607	\$107,058	\$107,058
<b>Total Funding Sources</b>	<b>\$44,607</b>	<b>\$107,058</b>	<b>\$107,058</b>

*\*Projected amounts are estimates and are subject to change.*

**Narrative Explanation of Financial Impact:**

The projected monthly payment for the equipment is \$8,921.54. The maximum cost for the remainder of fiscal year (FY) 2023-24 is \$44,607 and \$107,058 annually for the remainder of the five (5) year lease/purchase term, with a final balloon payment of \$87,440 to be made at the end of the lease 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 FY 2023-2024 budget for the monthly lease payments for the new equipment. Future payments will be budgeted annually during the budget process from fund 3540, budget unit 330 - Heavy Equipment ISF. There is no impact to the General Fund.

STAFFING IMPACT:

**Narrative Explanation of Staffing Impact:**

There is no staffing impact with the lease/purchase of equipment.

STRATEGIC FRAMEWORK:

This action supports the following areas of your Board’s Strategic Framework.

Core Roles: Provide for and maintain infrastructure

New Initiatives: Manage our resources to ensure sustainability of services

Strategic Plan: 2.1 - Improve transportation network to be properly-maintained, multi-model and energy efficient (e.g. roads, trails, public transportation and commercial airline)

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:

- Caterpillar Financial Services Corporation Financial Proposal
- Exhibit 2 Concluding Payment Schedule to Government Agreement
- Caterpillar Sourcewell Contract 060122

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**PREVIOUS ACTION/REFERRAL:**

Board Order No.: N/A

Meeting of: N/A

File No.: N/A