RECOMMENDED ACTION AND JUSTIFICATION: (Policy Item: Yes___ No_X_)

Authorization to waive the formal bid process to purchase a Caterpillar D-6R dozer, currently leased from Holt of California, in the amount of $59,414.72.

This dozer has been rented from Holt since April 2001. Included in the rental agreement is an option to purchase the equipment with 100% rental credit applied to the purchase price of $174,000. As of July 1, 2002, the balance for buyout will be $59,414.72 which includes all appropriate taxes and a 12-month warranty. Staff has been able to negotiate the 100% rental credit until July 28, 2002, at which time any additional rental payment will not be applied towards the purchase price. The Road Division is currently paying $7,850 rental per month for this piece of equipment and will continue to do so through the remainder of the construction paving season which usually ends approximately in November dependent on the weather. Estimated rental cost for the 5-month season is $39,250.

As road maintenance and construction has increased over the past two years, the need for a dozer has increased substantially while at the same time availability of reasonably priced rental equipment has decreased. Rather than attempt to initially purchase the equipment, staff elected to investigate the possibility of renting a dozer to evaluate its effectiveness in the Road program. The dozer has been used an excess of 400 hours by the Road Division for rebuilding and maintaining County roads and has been very reliable and effective. It also is very effective for emergency repair work and could possibly be used for fire fighting if needed in an emergency. Expected useful life of the dozer is 20 years.

Funds to purchase this equipment are available in the Road Fund Budget line item 0430 Rents and Leases Equipment for Fiscal Year 2002/03. Fleet will establish a depreciation schedule and subsequent charges for maintenance, repairs and eventual replacement in Fund 704, Heavy Equipment Replacement.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

This piece of heavy equipment has been discussed with the Board in the past. Several years ago the County owned a dozer but sold it for surplus along with several other pieces of heavy equipment. After that time, the County rented dozers as needed.

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

1) Negative action will result in the County not being able to take advantage of the lease credit being applied to the purchase of this equipment.
2) Delay of authorization will cause the current lease to continue with no credit for money paid on lease or returning the equipment and not having the availability of the dozer to perform road maintenance.
3) Obtain financing and spread payments out over a period of time.
COSTS:  
A. Budgeted FY 2002/03  $163,000  
B. Total anticipated costs  $59,415  
C. Required additional funding  
D. Internal transfers  

SOURCE:  
( ) 4/5ths Vote Required  
A. Unanticipated revenues  
B. Reserve for contingencies  
C. Source description: Balance in Reserve for Contingencies, if approved:  

CLERK'S USE ONLY:  
Res. No.:  
Vote - Ayes:  
Absents:  
Approved:  
Denied:  
Minute Order Attached:  
No Action Necessary:  
The foregoing instrument is a correct copy of the original on file in this office.  
Date:  
ATTEST:  MARGIE WILLIAMS, Clerk of the Board  
County of Mariposa, State of California  
By: Deputy  

SPECIAL INSTRUCTIONS:  
List the attached number of the pages consecutively.

COUNTY ADMINISTRATIVE OFFICER'S RECOMMENDATION:  
This item on agenda as:  
Recommended  
Not Recommended  
For Policy Determination  
Submitted with Comment  
Returned for Further Action  
Comment:  

C.A.O. Initials:  

Action Form Revised 5/92
### APPROPRIATION CHANGE

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**Explanation:** For purchase of Caterpillar D-6R Dozer going before the Board on July 9, 2002 for approval.

**Dept. Head Signature:**

**CAO:**

**Auditor-Controller:**

**Put brackets around reductions**

**Use whole dollars only, no cents**
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| TOTAL | 59,415 | 59,415 |

ACTION REQUESTED: (Check all that apply)

( ) Budget appropriation by Board of Supervisors (4/5ths Vote Required): Amending the total amount available in the county budget, or in any one fund of the budget, or appropriating Reserve for Contingencies;

( X ) Transfer by Board of Supervisors (3/5ths Vote Required): Moving existing appropriations from one budget to another, or between categories within a budget unit;

JUSTIFICATION: See attached Board item.

for 7/9 Board

DEPT HEAD SIGNATURE

APPROVED BY RES NO. 32-262

AUDITOR'S USE ONLY

300-ROADS

Budget Revision Form Revised 11/85