

Agenda Summary Report (ASR)

Franklin County Board of Commissioners

DATE SUBMITTED: July 12, 2022	PREPARED BY: Laura B. Stark, PW Administration & Finance
Meeting Date Requested: July 19, 2022	PRESENTED BY: Craig Erdman, Public Works Director/County Engineer
ITEM: (Select One) <input checked="" type="checkbox"/> Consent Agenda <input type="checkbox"/> Brought Before the Board Time needed:	
SUBJECT: Removal of one Caterpillar 140 M3 Motor Grader, ID #MG-1409, from Public Works ER&R Fund inventory.	
FISCAL IMPACT: The Franklin County Public Works ER&R Fund has received payment from Western States Cat of Pasco, Washington in the amount of \$195,000 pursuant to exercising the Buyback Option as outlined in the original purchase agreement, authorized by Franklin County Resolution 2017-106.	
BACKGROUND: On April 19, 2017 the Franklin County Board of County Commissioners approved the purchase of two (2) 2017 Caterpillar 140M3 Motor Graders from Western States Cat of Pasco, Washington via Resolution 2017-106. This proposed action addresses one (1) of the 140M3 Motor Graders obtained via Resolution 2017-106. On March 29, 2022 the Franklin County Public Works ER&R Fund exercised the Buyback Option for MG-1409. Payment in the amount of \$195,000 has been received from Western States Cat, receipted and deposited in the appropriate fund as directed in RCW 36.33A.050 and RCW 43.09.210, and therefore, the Caterpillar 140M3 Motor Grader, ID #MG-1409, should be removed from the Public Works ER&R Fund inventory list held by the Franklin County Auditor.	
RECOMMENDATION: Staff recommends that the Board of Franklin County Commissioners sign the proposed resolution removing the Caterpillar 140M3 Motor Grader, ID #MG-1409 from the Franklin County Public Works ER&R Fund inventory list held by the Franklin County Auditor pursuant to the ER&R Fund exercising the Buyback Option with Western States Cat of Pasco, Washington.	
SUGGESTED MOTION: I hereby move that the Board of Franklin County Commissioners sign Resolution number 2022-_____ removing the Caterpillar 140M3 Motor Grader, ID #MG-1409, from the Franklin County Public Works ER&R Fund inventory pursuant to Western States Cat of Pasco, Washington's Guaranteed Buyback Fulfillment Letter and the receipt of \$195,000 by the Franklin County Public Works ER&R Fund.	
COORDINATION: This action has been coordinated with and supported by Laura Stark, Public Works Administration & Finance, Greg Snyder, Shop Supervisor, and Craig Erdman, Director of the Franklin County Public Works.	
ATTACHMENTS: <ul style="list-style-type: none">• Western States Guaranteed Buyback Fulfillment Letter (3 pages)• Copies of Receipt of \$195,000 (5 pages)• Proposed Resolution (2 pages)	

HANDLING / ROUTING:

Clerk of the Board: Original Resolution

Public Works (Laura Stark) and Auditor (Tim Anderson): Copy of Resolution

I certify the above information is accurate and complete.

Laura Stark, for:
Craig Erdman, Public Works Director/County Engineer

FRANKLIN COUNTY RESOLUTION _____

**BEFORE THE BOARD OF COMMISSIONERS OF
FRANKLIN COUNTY WASHINGTON**

***REMOVAL OF ONE (1) CATERPILLAR MODEL 140M3 MOTOR GRADER FROM
FRANKLIN COUNTY PUBLIC WORKS ER&R FUND INVENTORY***

WHEREAS, in accordance with RCW 36.33A.030, the Board of Franklin County Commissioners have appointed the Public Works Director as the administrator of the Motor Vehicle (ER&R) Fund; and

WHEREAS, On April 19, 2017, the Board of Franklin County Commissioners approved and adopted, via Resolution 2017-106, the purchase of two (2) new Caterpillar 140M3 Motor Graders, and

WHEREAS, This action addresses one (1) of the Motor Graders purchased pursuant to Resolution 2017-106, and

WHEREAS, the Public Works Director determined that exercising the Buyback Option for one (1) Caterpillar 140M3 Motor Grader, ID #MG-1409 was in the best interest of Franklin County, and

WHEREAS, in accordance with the Purchase Agreement with Western States Cat of Pasco, Washington, Franklin County Public Works ER&R Fund has exercised the Buyback Option for ID #MG-1409; and

WHEREAS, Franklin County Public Works ER&R Fund has received payment in the amount of \$195,000 pursuant to the Western States Cat Guaranteed Buyback Fulfillment Letter; and

WHEREAS, the Board of Franklin County Commissioners constitutes the legislative authority of Franklin County and finds that the disposition of equipment via Guaranteed Buyback with Western States Cat of Pasco, as being in the best interest of Franklin County, desires to acknowledge that Western States Cat of Pasco, Washington has fulfilled the Guaranteed Buyback for one (1) Caterpillar 150M3, ID #MG-1409; and

FRANKLIN COUNTY RESOLUTION _____

NOW, THEREFORE, BE IT RESOLVED that the Board of Franklin County Commissioners authorizes the Franklin County Public Works ER&R Fund to remove MG-1409 from their inventory list; and

BE IT FURTHER RESOLVED that the Franklin County Auditor shall remove the Caterpillar 140M3 Motor Grader, ID #MG-1409 from the Franklin County Public Works ER&R Fund inventory in accordance with the Guaranteed Buyback Fulfillment letter and receipt of funds for same.

APPROVED this ____ day of _____, 2022

**BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON**

Chair

Attest:

Chair Pro Tem

Clerk of the Board

Member

Originals: Clerk of the Board

Copy: Public Works Department
 County Auditor / Accounting



Franklin County - Public Works

3416 Stearman Ave
Pasco WA 99301-7104
SOURCEWELL ID#98845

Western States CAT

2100 E Frontier Loop
Pasco, WA 99301
SOURCEWELL ID#032119-CAT

3/22/2022

Guaranteed Buyback Fulfillment Letter

MG 1409 CAT 140M3 S/N N9M00491

Franklin County - Public Works (2974950)

Mr. Greg Snyder and Ms. Laura Stark,

In compliance with the Western States Equipment Company's 5 Year 5,000hr **Guaranteed Buyback** of MG1409 S/N N9M00491 of **\$185,000.00** provided in April of 2017 at time of purchase, please accept an **additional \$10,000.00 offering, to total \$195,000.00**, for this machine based on significantly lower current machine hours than the terms and conditions of our buyback agreement. All other buyback requirements have been met.

Western States Equipment greatly appreciates your business.

Thank you

Purchase Resolution
2017-106

Sincerely,

Kody Reed
Machine Sales Rep
509-792-2573

Kody.Reed@weco.com





April 06, 2017

Franklin County Public Works
3416 Stearman Ave
Pasco, Washington 99301-7104

Gentlemen:

Please accept this letter as a guarantee for purchase of your Caterpillar Model 140M3 Motor Grader Serial Number N9M00491. This guarantee is made in conjunction with the Governmental Failsafe Warranty. We agree to purchase this unit from you at the end of the five years for the amount of \$ 185,000.00 based on a maximum of 5,000 S.M.U.'s. If the time period or service meter unit limits are exceeded the above machine will be appraised to determine a new value.

Lessee agrees that each Unit, upon its return, shall:

1. Be in sound mechanical condition and to be in good working order under full load.
2. Have the same attachments and piece parts as when delivered.
3. a. Have tires in safe and operable condition with a minimum of (40%) of wear remaining tread life and all of the same style (no recaps).
- OR
- b. Have a minimum of forty percent (40%) life remaining on all undercarriage components including track shoes, links, pins and bushings, idlers, bogies, sprockets, carrier rollers, track rollers;
4. Have no cracked or broken glass;
5. Have no missing sheet metal and any damage to sheet metal;
6. Have no structural damage to frame.
7. Have met the full requirement of the warranty procedures, including scheduled oil sampling at the prescribed intervals.
8. Have no damage or modification to machine ROPS (roll over protection structure) per Caterpillar guidelines, repair or replacement of ROPS will be billed at time of return.

We require thirty (30) days written notice if you choose to exercise this guarantee and transfer title of the above-described equipment to Western States Equipment Company. If you have any questions or if we may be of further assistance, please call.

Sincerely,

J. D. King
Vice President & Treasurer

Dyke Jones
Used Equipment Manager



NJPA Member Discount 33%	\$(165,536.58)
NJPA Member Purchase Price	\$ 336,089.42
Western States Equipment Governmental Support	\$ (30,792.14)
Franklin County Purchase Price	\$305,297.28

Delivered Price Includes the following:



COPY

- 1) New 2017 140M3 Tandem Motor Grader with the above configuration
- 2) 5 year 5,000 hour Governmental EM Solutions Warranty
- 3) Guaranteed Buy Back 5 years 5,000
- 4) Factory Freight
- 5) Installation of Push Block
- 6) Gem Solutions Equipment Management reporting
- 7) Transport to Franklin County Shop

Western States Equipment Guaranteed Buy back at the end of 5 years or 5,000 hours whichever comes first: **(\$ 185,000)** See Buy Back Letter attached:

Joe Giacalone: _____

Date: 4/23/17

Western States Equipment
500 E Overland Rd
Meridian, ID 83642-6606



11-24/1210

Date: 03/29/2022
Check #: 1000145612

Pay Exactly **One Hundred Ninety-Five Thousand and 00/100 -US Dollars **

Amount

\$**195,000.00

VOID AFTER 180 DAYS

TO THE ORDER OF
FRANKLIN COUNTY - PUBLIC WORKS

WELLS FARGO BANK, N.A.

Authorized Signer

⑈1000145612⑈ ⑆121000248⑆30001515⑈



9NBT08 000342 080185510367 NNNNN NNNNN NNNNNNNN 000001

DR0633
Western States Equipment
500 E Overland Rd
Meridian, ID 83642-6606



Return Service Requested

000342 R3NGTDA
FRANKLIN COUNTY - PUBLIC WORKS
3416 STEARMAN AVE
PASCO WA 99301

Date: 03/29/2022
Check #: 1000145612
Payment Amount: 195,000.00
Vendor #: V000093

Buyback M6-1401

Remittance Advice

Invoice Date	Invoice #	Invoice Gross Amt	Discount Amount	Invoice Net Amt
03/24/2022	NSW00491	0.00	0.00	195,000.00

**FRANKLIN COUNTY PUBLIC WORKS
MOTOR VEHICLE DIVISION
3416 STEARMAN AVENUE
PASCO, WA 99301
PHONE: (509) 545-3514 FAX: (509) 545-2133**

**OFFICIAL
RECEIPT**

Date Received	Total Amt Received	Received From	Received For	Receipt No.	Init
04/13/2022	\$195,000.00	Western States Equipment	MOTOR VEHICLE	22059	SLR
PAYMENT BY: CHECK 1000145612		A/R Module	Client		
		None	Western States Equipment		

Buyback MG-1409

[illegible]

Dept: County Road
Date: 4/13/2022

Check: \$199,370.99

Total Deposit: \$199,370.99
Total Revenue: \$199,370.99

Key	Object	Description	Revenue	Notes
500	36220000	EQUIP VEHICLE LEASE LONG TERM	2,665.98	WSU & HAPO
500	36990010	SALE OF SCRAP AND JUNK	290.40	Pacific Steel & Recycling
500	38900000	OTHER NON-REVENUES/REFUNDS	1,414.61	Propane
500	39510000	PROCEEDS SALES OF CAP ASSETS	195,000.00	Buyback MG-1409

Date: 4/13/2022 3:22 PM
User: FRANKLIN\jjruesga
Computer: FCIS11365.franklin.co.franklin.wa.us
File: \\sgsql1\import\$\CR\Incoming\CountyRoad-2022-04-13--202204132237-45.txt