



Engineering Services Committee Meeting

Meeting Date: 26 November 2024

Landfill Operations & Regulatory Compliance

Landfill Equipment Need & Lease-to-Own Plan

File Reference: 24-014 (A)

Department:	Engineering & Environmental Services
Presenter:	Dr. Hameed Direct, Director
Caption:	Approve procuring landfill equipment at “lease-to-own” terms for continuity of Environmental Services Waste Intake Operation and keep Solid Waste Facility in compliance with its regulatory permit Operation & Maintenance requirements. See attached EXHIBIT A “Equipment Needs Plan and EXHIBIT B “Lease to Own” equipment provider respective vendors. Lease term is forty-eight (48) months. Monthly and Annual lease total amount is \$79,114.21 and \$949,370.57, respectively, funded by the Landfill annual Capital Funds. /AE
Background:	Previous operational procedures for the Augusta Landfill were driven with no long-term planning efforts, no daily maintenance inspections, and a “run-to-failure” mode of operation. As a result, the current landfill equipment is mostly end of life, resulting in high maintenance costs and decreased operational time. The run-to-failure mode of operation resulted in emergency equipment purchases, so duplicate equipment was purchased at the same time: this resulted in equipment with the same end-of-service expectancy which resulted in higher capital outlay for multiple equipment purchases at time of failure. Emergency purchases provided the lowest trade-in value since the run-to-failure machinery had little to no value, this decreased negotiation potential on new equipment purchases. Run-to-failure mode also resulted in higher operational costs and higher machine down time because parts related to failures were more expensive and equipment repairs took longer. Emergency negated the opportunity to reasonably plan and negotiate cost effective options, such as short-term rental (non-ownership) and leasing.
Analysis:	For the last three years Augusta Engineering and Environmental Services Department (AEESD) have optimized operations related to heavy equipment operation and maintenance. Our maintenance staff developed effective preventative maintenance procedures, including pre inspections by maintenance staff before all equipment is allowed to be used for the day. Scheduled preventative maintenance programs are in place for the entire fleet of vehicles and heavy equipment. Our heavy equipment operators have been trained on proper pre and post use inspections and are required to thoroughly

clean all equipment so maintenance staff can inspect at the beginning of each day.

Landfill equipment is expensive so in order to optimize available funds, maintenance contracts, and warrantee periods, we asked each vendor to structure prices/payments on available equipment to accommodate a four-year lease period with a \$1 purchase price at the end of the lease period.

Financial Impact:

Funds in amount of \$949,370.57 available in Landfill (Waste Management) FY2024 capital budget funding. Future funding will be operational budget yearly allocation. Below is FY2024 funds itemization:

Machinery & Equipment:	\$185,000 (5421110)
Trucks All Sizes:	\$217,860 (5422210)
Heavy Equipment:	\$315,530 (5422510)
Other Comp Systems	\$801(5424910)
Capital Lease Oblig:	\$230,180 (5822110)
Total	\$949,371

Alternatives:

N/A

Recommendation:

Approve procuring landfill equipment at “lease-to-own” terms for continuity of Environmental Services Waste Intake Operation and keep Solid Waste Facility in compliance with its regulatory permit Operation & Maintenance requirements. See attached EXHIBIT A “Equipment Needs Plan and EXHIBIT B “Lease to Own” equipment provider respective vendors. Lease term is forty-eight (48) months. Monthly and Annual lease total amount is \$79,114.21 and \$949,370.57, respectively, funded by the Landfill annual Capital Funds. /AE

Funds are available in the following accounts:

\$79,114.21 & \$949,370.57 - 541044210 - Solid Waste Operational Capital Funds

REVIEWED AND
APPROVED BY:

HM/sr