



EL DORADO COUNTY

DEPARTMENT OF TRANSPORTATION

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Date: February 22, 2023

To: Don Ashton, Chief Administrative Officer
Tiffany Schmid, Acting Chief Administrative Officer

From: Rafael Martinez, Director, Department of Transportation

Subject: Retroactive Fixed Asset Equipment Improvement Part – Legistar Item 23-0468

The purpose of this memorandum is to provide an explanation for the retroactive nature of the additional Fixed Asset – Equipment Improvement partial engine with Riverview International Trucks, LLC.

On November 22, 2022, Department of Transportation (DOT) equipment mechanics determined there was a terminal failure to a portion of a dump truck's (equipment #23-24) engine. Historically, DOT has ordered the necessary parts for the repair without a competitive bid, as it falls under the C-17 Purchasing Policy, 3.5 Specific Exemptions and Written Findings of Fact. DOT staff requested a quote from Riverview International Trucks, LLC on November 29, 2022, and obtained the quote on December 7, 2022, after Riverview International Trucks, LLC was able to locate the necessary partial engine. The invoice totaled \$19,826.16 for the partial engine, which included a \$5,000 core deposit, leaving the partial engine with a final cost of \$14,826.16 after the core deposit is reversed. DOT subsequently generated a purchase order (PO) on December 13, 2022, and it was fully approved under the Purchasing Policy exemption on December 16, 2022.

The partial engine was ordered utilizing the PO with budgeted appropriations under object 4161, equipment parts. DOT staff picked the partial engine up Riverview International Trucks, LLC in Sacramento, California, on January 7, 2023, and invoiced DOT accordingly. Staff coded the invoice as it was listed on the PO and began the payment process. Once the invoice reached the Auditors Office approval step and it was reviewed on February 8, 2023, they reached out to Fiscal staff stating it needed to be coded as a fixed asset – equipment improvement and was not considered a part. DOT and Fiscal staff provided historical justification as well as clarification that the invoice was for a partial engine and that the DOT did not consider the partial engine as an improvement. Ultimately, the Auditors Office made a final determination the partial engine needed to be listed under object 6044 – Fixed Asset – Equipment Improvement.

We are, therefore, bringing this before your Board for approval to adjust the Fiscal Year 2022-23 Fixed Asset List due to the determination of the purchase being categorized as a fixed asset equipment improvement and not an equipment part.