



Meeting: Village Board
Meeting Date: 09/09/2013
Agenda Item: 5b

Mission Statement
 Delivering quality services in a courteous, cost-effective and efficient manner.

VILLAGE BOARD MEETING STAFF REPORT

REPORT TO: Burt R. McIntyre, President
 Village Board of Trustees

REVIEWED BY:

REPORT FROM: Geoffrey S. Farr, PE, Director of Public Works

AGENDA ITEM: Review and take action on the purchase of an articulated wheel loader.

POLICY ISSUE

Should the Village Board approve the purchase of a new wheel loader?

BACKGROUND INFORMATION

The Village currently has 3 articulated wheel loaders that are used in daily activities. One is a small 1978 Caterpillar 920 (80 hp.) with about 4500 hours that is used for loading salt and miscellaneous light work and has been trouble free. Our primary loader is a 1998 John Deere 624 H (160 hp.) with around 7,500 hours that does the bulk of our work that has performed well. Our other primary loader is a 1978 Michigan L70 (110 hp.) with 12,000 hours that has become problematic and is to be traded-in / replaced as part of this purchase.

The Public Works Department is in need of this replacement loader to increase the reliability of its services such as snow plowing, loading material and turning mulch. This new loader will be the same size class as the John Deere loader and will be equipped with snowplow, wing, and toll carrier. It will utilize all of the existing buckets and attachments the current loaders utilize as part of the fleet.

The wheel loader will be a new articulated loader and equipped with 4 wheel drive, full counter weight package, front plow and wing. It will have a 3.25 CY or larger bucket, 169 or more hp., parallel lift and boom ride control. The Village received very competitive pricing for the replacement of its loader as follows:

	<u>Aring Equipment</u>	<u>Brooks Tractor</u>	<u>Fabco Equipment</u>	<u>Miller Bradford Risberg</u>
	2103 Volvo L90G	2013 John Deere 624K	2014 Caterpillar 938K	2013 Case 721F
Warranty, years	1 total - 5 power train	1 total	1 total	3 total
Loader	\$ 178,307	\$ 163,400	\$ 163,900	\$ 168,000
Plow and Wing	\$ 32,578	\$ 32,578	\$ 32,578	\$ 32,600
Trade-in	\$ 41,450	\$ 25,000	\$ 28,000	\$ 25,000
Net	\$ 169,435	\$ 170,978	\$ 168,478	\$ 175,600
Repair Discount	\$ approx. \$4,000	-	Low bid	-

As you know the basis for public bidding is to write competitive specifications to obtain the best available pricing for the public. One bidder has offered a discount on a recent repair made to our Michigan Loader that is being traded. If this were considered it would change the low bid result.

While at first blush a reduction in price sounds great, it is technically a non-conforming offer because the same repair opportunity was not made available to all of the bidders. I believe they offered this with the best of intentions to give the Village the best price they could, but it is unfortunately flawed and unfair to the other bidders. If the situation were reversed it would be just as contentious.

The bidding generated very low prices because of strong completion, straight forward competitive specifications for the sale of goods as promised to the responsive responsible bidder. Unfortunately acceptance of such a discount would discourage future bidders from quoting their best price if they come to understand that they will not be treated equally. To preserve the integrity of the process the Village should not consider the repair discount offered.

All of these loaders would serve the Village very well and the low bid is \$168,478 by Fabco Equipment, Inc.

PRIOR ACTION/REVIEW

The Village Board budgeted \$200,000 for the purchase of a loader in the 2013 budget.

FISCAL IMPACT:

- | | |
|------------------------------|---|
| 1. Is There A Fiscal Impact? | <u>Yes</u> |
| 2. Is it Currently Budgeted? | <u>Yes</u> |
| 3. If Budgeted, Which Line? | <u>Storm Water</u>
<u>Enterprise</u> |
| 4. Amount? | <u>\$168,478.00</u> |

RECOMMENDED ACTION

Staff recommends that the Village Board approve the purchase of the Caterpillar loader and trade-in.

If the Village Board agrees with this action, the following motion could be used, ***“Motion to approve the purchase of a 2014 Caterpillar 938K loader, plow and wing with trade-in from Fabco Equipment, Inc. for \$168,478.”***

POLICY ALTERNATIVE(S)

The Village Board could take the following actions:

- Approve the purchase
- Deny the purchase
- Table the purchase and ask for more information

ATTACHED INFORMATION

- I. Photos

COPIES FORWARDED TO:

- I. None

444K/524K/544K/ 624K/644K LOADERS

92–173 kW (124–232 net hp)



JOHN DEERE



VOLVO WHEEL LOADERS

L60G, L70G, L90G

13-17 tons 161-173 hp



CASE
CONSTRUCTION

F SERIES WHEEL LOADERS

621F | 621F XT | 621F XR | 721F | 721F XT | 721F XR |
821F | 821F XR | 921F | 921F XR



Case Delivers Full-Service Solutions

EQUIPMENT | FINANCING | PARTS & SERVICE

924K, 930K, 938K

Wheel Loaders



	924K	930K	938K
Engine Model*	Cat® C6.6 ACERT™	Cat® C6.6 ACERT™	Cat® C6.6 ACERT™
Maximum Gross Power:			
ISO 14396	109 kW (146 hp)	119 kW (160 hp)	129 kW (173 hp)
ISO 14396 (DIN)	109 kW (148 hp)	119 kW (162 hp)	129 kW (175 hp)
Bucket Capacity	1.9-5.0 m ³ (2.5-6.5 yd ³)	2.1-5.0 m ³ (2.7-6.5 yd ³)	2.5-5.0 m ³ (3.3-6.5 yd ³)
Full Turn Tip Load	7419 kg (16,352 lb)	8369 kg (18,444 lb)	9527 kg (20,997 lb)
Operating Weight	12 868 kg (28,360 lb)	13 829 kg (30,479 lb)	15 928 kg (35,104 lb)

*Engine meets U.S. EPA Tier 4 Interim/EU Stage IIIB emission standards.