

City of Ann Arbor

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Legislation Details (With Text)

File #: 14-0201 Version: 2 Name: 3/17/14 - Purchase of two Forklifts for MRF

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Title: Resolution to Appropriate Funds and Approve Purchase of Two Clark C30 Forklifts for City Materials

Recovery Facility (MRF) from Fraza Forklifts (\$55,268.00) (8 Votes Required)

Sponsors:

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Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
3/17/2014	2	City Council	Approved	Pass

Resolution to Appropriate Funds and Approve Purchase of Two Clark C30 Forklifts for City Materials Recovery Facility (MRF) from Fraza Forklifts (\$55,268.00) **(8 Votes Required)**The City owns a materials recovery facility (MRF) that is operated by FCR LLC d/b/a RRS, Inc. (FCR), which is in the nineteenth year of a twenty-six year agreement with the City to operate and maintain the MRF on behalf of the City. A jointly funded MRF Capitalized Renewal and Replacement Account exists within the Solid Waste Enterprise Fund to finance capital renewals and replacements as needed. The attached resolution appropriates funds for the purchase of two new Clark forklifts for operations at the MRF.

The existing two forklifts at the MRF are being rented for \$2,000.00 per month, or \$12,000.00 per year for each forklift. The purchase cost will be covered by savings in rental charges in 2.3 years. The expected life of the new forklifts is three to five years. Purchasing the units will result in the elimination of these rental charges.

FCR obtained three quotes for forklifts, shown as follows:

• Toyota 8FDU32 (Bell Forklift): \$35,887.00 each

Cat 2PD60004-D (Fraza Forklift): \$31,931.00 each

• Clark C30 (Fraza Forklift): \$27,634.00 each

FCR recommends purchase of the Clark C30 forklift, which is the low bid. They are familiar with the unit, and are confident that it will perform the job at the MRF in a satisfactory manner.

Funding for the forklifts will be provided through the MRF Capitalized Renewal and Replacement account, which as of December 31, 2013 had a balance of \$228,595.20. The MRF Capitalized Renewal and Replacement Account is controlled by the City and is funded by way of ongoing contributions from both the City and FCR through a calculation method established in the contract. Prepared by: Tom McMurtrie, Systems Planning Unit

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Reviewed by: Matthew J. Kulhanek, Fleet & Facility Manager

Craig Hupy, Public Services Area Administrator

Approved by: Steven D. Powers, City Administrator

Whereas, The City owns a materials recovery facility (MRF) that is operated by FCR LLC d/b/a RRS,

Inc. ("FCR");

Whereas, FCR is in year nineteen of a twenty-six year operating agreement with the City to operate and maintain the MRF on behalf of the City;

Whereas, The MRF is in need of two new forklifts for its operations;

Whereas, A jointly funded MRF Capitalized Renewal and Replacement Account exists within the Solid Waste Enterprise Fund to finance such expenditures;

Whereas, The operating contract agreement between the City and FCR provides for the reimbursement of expenditures for rolling stock and other equipment at the MRF made either by FCR or by the City to be funded through the MRF Capitalized Renewal and Replacement Account;

Whereas, The MRF Capitalized Renewal and Replacement Account, which had a balance of \$228,595.20 as of December 31, 2013, is adequate to fund the two new forklifts; and

Whereas, Fraza Forklifts received updated Human Rights/Living Wage approval on January 30, 2014;

RESOLVED, That City Council authorize the appropriation of \$55,268.00 from the MRF Capitalized Renewal and Replacement Account of the Solid Waste Fund for the purchase of two Clark C30 forklifts from Fraza Forklifts; and

RESOLVED, That City Council authorize the City Administrator to take any necessary administrative actions to implement this resolution.