



Legislation Text

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Resolution to Approve the Purchase of a Wheeled Loader from JDE Equipment Company (\$181,300.00)
The attached resolution authorizes the purchase of a 2007 John Deere 624J with a three yard capacity clam bucket and a five yard roll out bucket for the total amount of \$181,300.00 from JDE Equipment Company, New Hudson, Michigan. This unit will replace a 1998 loader currently being used by the Compost Center.

The 1998 loader has been in service for 9 years and has 14,000 hours of use. Over the last two years the repair and maintenance cost for this unit have increased 240 percent going from an average of \$7,638.00 per year to \$18,356.00 per year. These costs do not include replacing any of the major components like the engine, transmission or axles, which have a normal life expectancy in this type of operation of about 10,000 hours. Given the 14,000 hours of use this machine has a significant chance of a major component failure in the next twelve months.

When the 1998 loader was purchased the Compost Center was processing between 8,000 and 10,000 tons of compost yearly, today that has increased to about 25,000 tons. The new loader being requested is a larger model and is sized to handle the current and future increases in compost operation. The increase in volume at the facility has generated a need to load the semi trailers being utilized during large commercial sales. The addition of the five -yard roll out bucket will increase the dumping height of the loader to allow it to fill these semi trailers with finished compost.

In accordance with City of Ann Arbor purchasing policies we solicited competitive bids, which are, summarized below. JDE Equipment Company was the sole responsive bidder.

	Loader	Bucket	Total
JDE Equipment Company	\$166,700.00	\$14,600.00	\$181,300.00
Wolverine Tractor and Equipment	\$166,200.00*	\$14,987.00	\$181,187.00*
Michigan Cat	\$153,792.00*	\$13,753.00	\$167,545.00*

*Does Not Meet Specifications

The loaders offered by Wolverine Tractor and Equipment and Michigan Cat do not meet our specification in a number of areas. Both units have a hydraulic oil tank that is over 30% smaller, fuel tanks that are over 17% smaller, both have engines with less horse power then the 165 hp called for in our specification, nether have a full locking differential on both front and rear axles, and nether offer a radiator that swings out 90 degrees for cleaning. In addition the Volvo brand unit offered by Wolverine Tractor and Equipment has smaller tires then the specification called for and has outboard mounted brakes that exposes the brake components to the environment. The Caterpillar brand loader offered by Michigan Cat has a lower full turn and straight tipping load. The tipping load is the amount of weight the bucket can handle before the loader "tips" or raises the rear axle off the ground.

The Fleet and Facilities Unit has budgeted adequate funds in the FY08 operating budget for the purchase of the loader and the Solid Waste Enterprise Fund has budgeted adequate funds in the FY08 operating budget for the purchase of the roll out bucket.

JDE Equipment Company received Human Rights approval on September 4, 2007.

Prepared by: Matt Kulhanek, Manager Fleet and Facilities
Reviewed by: Sue F. McCormick, Public Services Administrator
Approved by: Roger W. Fraser, City Administrator

Whereas, The Fleet & Facilities Unit will need to purchase a replacement loader for the City's fleet;

Whereas, The sale of finished compost to bulk customers requires the filling of semi trailers using a roll out bucket;

Whereas, JDE Equipment Company was the lowest responsive bidder;

Whereas, JDE Equipment Company received Human Rights approval on September 4, 2007; and

Whereas, Sufficient funds were budgeted in the approved FY08 operating budgets of the Motor Equipment Fund and Solid Waste Enterprise Fund;

RESOLVED, That City Council approve the issuance of a purchase order to JDE Equipment Company for the purchase of one 2007 John Deere 624J wheeled loader with five yard roll out bucket in the amount of \$181,300.00 with \$166,300.00 from the FY08 budgeted Motor Equipment Funds and \$14,600.00 from the FY08 budgeted Solid Waste Enterprise Fund;

RESOLVED, That the loader being replaced, number 8778 be sold at the next City Auction; and

RESOLVED, That the City Administrator is authorized to take the necessary actions to implement this resolution.