



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2015-0410

TO: Mayor and City Council Members
FROM: Allan E. Schneck, P.E., Director of Public Services
DATE: October 26, 2015
SUBJECT: Excavators

REQUEST:

City Council is requested to authorize the purchase of one (1) new John Deere 190 G W Wheeled Excavator in the amount of \$234,635.00 and one (1) new John Deere 50 G Compact Excavator in the amount of \$67,754.09 utilizing the State of Michigan MiDeal Extended Purchase program to AIS Construction Equipment Corporation, New Hudson, Michigan for a total purchase cost not-to-exceed \$302,389.09.

REASON FOR PURCHASE:

The City purchases John Deere equipment through the State of Michigan MiDeal Extended Purchase Program, as it is the best pricing that can be offered to local units of government for John Deere Equipment. The discount received by utilizing the State of Michigan contract for roadside maintenance and earth moving equipment is 42% for the 190G W Wheeled Excavator and 16% for the 50G Compact Excavator. Equipment purchased through this program is at a cost significantly lower than retail and the City's recent market research supports this. Purchase of John Deere equipment through the State of Michigan Extended Purchasing Program offers the best value to the City.

PROCESS:

Vendor Name and Address:

AIS Construction Equipment Corporation
56555 Pontiac Trail
New Hudson, MI 48165

Reason for Selection:

Best Value/MiDeal Extended Purchase Program

Method of Purchase:

Purchase Order

BUDGET:

Funding is included in the FY 2016 Adopted Budget.

If approved by City Council, a FY 2016 1st Quarter Budget Amendment will be presented to draw the additional funding required from Fleet Fund Retained Earnings.

By ordering now, it is anticipated that the excavators will be able to be delivered in January of FY 2016. The City will not accept delivery until after January 1, 2016. Monies are due upon delivery, so no FY 2015 Budget dollars will be expended, rather these excavators will be expended out of the FY 2016 Budget.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Fleet	661.977000	Equipment Capitalized	\$230,630.00	\$234,635.00	(\$4,005.00)
Fleet	661.977000	Equipment Capitalized	\$60,000.00	\$67,754.09	(\$7,754.09)
Grand Total			\$290,630.00	\$302,389.09	(\$11,759.09)

RECOMMENDATION:

City Council is requested to authorize the purchase of one (1) new John Deere 190 G W Wheeled Excavator in the amount of \$234,635.00 and one (1) new John Deere 50 G Compact Excavator in the amount of \$67,754.09 utilizing the State of Michigan MiDeal Extended Purchase program to AIS Construction Equipment Corporation, New Hudson, Michigan for a total purchase cost not-to-exceed \$302,389.09.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		