



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
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Legislative File No: 2019-0329

TO: Mayor and City Council Members

FROM: Allan Schneck, P.E., Director Department of Public Services

DATE: August 12, 2019

SUBJECT: Purchase Authorization for One (1) Wheeled Excavator

REQUEST:

City Council is requested to authorize the purchase of one (1) Wheeled Excavator from AIS Construction Equipment Corp, New Hudson, MI in the amount of \$246,434.00.

REASON FOR PURCHASE:

The City issued a Request for Proposals for the purchase of a wheeled excavator utilizing the MITN system. The RFP was distributed to more than one hundred (100) potential vendors and five (5) proposal responses were received.

The proposal process consisted of two stages: proposal review and equipment demonstrations. Proposals were evaluated by a committee consisting of staff from the City's Fleet Department and the Department of Public Services Equipment Operators. Based on the proposal review process, the evaluation committee, utilizing the following criteria: Proposal Completeness, Functionality of Equipment, References, Experience and Qualifications, Warranty and Maintenance Service and Cost, subsequently shortlisted to three (3) proposers and requested demonstrations of the equipment proposed.

The two (2) lowest cost proposers did not rank in scoring as high as the other proposers and demonstrations were not requested for the following reasons: lack of appropriate references, extended warranty by the one company is being provided by a third party, company has a focus on equipment rental and there are concerns regarding their capacity to conduct warranty repairs, and failure to specify delivery timeframes.

The City evaluated the equipment at the distributor's locations. Each distributor offers a different manufacturer of wheeled excavators. The equipment manufacturers included, Hyundai, John Deere and Caterpillar. During the equipment demonstrations, the City's DPS Equipment Operators utilized the equipment in similar functions to that of the jobs they perform in the field each and every day. The operators used the following criteria to rate each equipment demonstration: General System Function/Ease of Use, Durability, Serviceability, Performance and Noise Level.

When operating the Hyundai and Caterpillar equipment, the operators noted that there was difficulty in seeing workers in the digging and work zone areas, control layout was cumbersome, and service points were difficult to access. Whereas, with the John Deere equipment it was observed that there was more range of site visibility for work zone safety, comfortable control layout and easy access to service checkpoints.

Based on fleet's servicing of John Deere equipment, and research done, it has been found that John Deere equipment has had minimal non-scheduled maintenance issues resulting in greater operating time, have had positive experience with local parts availability, and equipment has had high residual value when

disposed of that positively impacts machine total cost of ownership to the City. Additionally, the City's mechanics are familiar with the machine's mechanical systems, which assists in equipment repair due to familiarity of equipment and the department stocks filters and other preventive maintenance service parts which assists in maintaining inventory while keeping costs low by not having to keep in stock multiple different types of maintenance items.

Based on the proposal review and demonstrations AIS Construction Equipment Corp is recommended as providing best value based on the proposal criteria established, a quality product and exceptional services. It is recommended the City award to AIS Construction Equipment Corp as offering the best value to the City.

The new machine will replace 39-148, a 2008 Caterpillar M316 wheeled excavator with 7,200 hour on the meter. The 2008 excavator is at the point in its life cycle where the frequency of unexpected maintenance and repairs are steadily increasing, reducing availability and increasing cost.

Wheeled excavators are used by DPS crews for road maintenance and repairs, ditching operations, water and sewer maintenance and repairs, and other tasks.



PROCESS:

Vendor Name and Address:

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

Reason for Selection:

Best Value

Method of Purchase:

Purchase Order

BUDGET:

Funding is included in the FY 2019 Adopted Budget.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Fleet	661.981000	Capital Vehicle	\$304,220	\$246,434	\$57,786

RECOMMENDATION:

City Council is requested to authorize the purchase of one (1) Wheeled Excavator from AIS Construction Equipment Corp, New Hudson, MI in the amount of \$246,434.00.

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

Contract Reviewed by City Attorney Yes N/A