



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: 2020-0420

TO: Mayor and City Council Members
FROM: Allan E. Schneck, P.E., Director of Public Services
DATE: November 16, 2020
SUBJECT: John Deere Equipment

REQUEST:

City Council is requested to authorize the purchase of one (1) new John Deere 544L Wheel Loader in the amount of \$172,773.89, one (1) new John Deere 410L Backhoe Loader in the amount of \$118,875.64 and one (1) new John Deere 310SL Backhoe Loader in the amount of \$100,686.23 utilizing the State of Michigan MiDeal Extended Purchasing Program to AIS Construction Equipment Corporation, New Hudson, Michigan in the total amount not-to-exceed \$392,335.76.

REASON FOR PURCHASE:

The City purchases John Deere equipment through the State of Michigan MiDeal Extended Purchasing 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 36.5% for the 544L Wheel Loader, 40.7% for the 410L Backhoe Loader and 44.1% for the 310SL Backhoe Loader. 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.

All three pieces of equipment are fully depreciated, and have been in service past their anticipated replacement age. They will soon require costly repairs due to aging hoses and hydraulic systems, worn tires, and rust. The 544L loader is replacing 39-296 a 2010 544K, it is used during winter operations to load salt causing excessive rust and corrosion issues. The 410L will be replacing 39-286 a 2009 410J with 6,000 hours. The 310SL is fitted with a hydraulic hammer used for breaking concrete and getting through frozen ground in the winter for underground repairs, this will be replacing 39-084 a 2000 CAT backhoe and Rammer S25 City hammer.

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 2020 Adopted Budget.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Fleet	661.977000	John Deere 544L Wheel Loader (39-296)	\$201,710	\$172,773.89	\$28,936.11
Fleet	661.977000	John Deere 410L Backhoe Loader (39-286)	\$149,720	\$118,875.64	\$30,844.36
Fleet	661.977000	John Deere 310SL Backhoe Loader (39-084)	\$149,510	\$100,686.23	\$48,823.77
Total			\$500,940	\$392,335.76	\$108,604.24

RECOMMENDATION:

City Council is requested to authorize the purchase of one (1) new John Deere 544L Wheel Loader in the amount of \$172,773.89, one (1) new John Deere 410L Backhoe Loader in the amount of \$118,875.64 and one (1) new John Deere 310SL Backhoe Loader in the amount of \$100,686.23 utilizing the State of Michigan MiDeal Extended Purchasing Program to AIS Construction Equipment Corporation, New Hudson, Michigan in the total amount not-to-exceed \$392,335.76.

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



