



**City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS**

**1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)**

---

**Legislative File No:** 2005-0265

**TO:** Mayor and City Council Members  
**FROM:** Roger Rouse, Department of Public Service, 841-2497  
**DATE:** April 20, 2005  
**SUBJECT:** Excavator

---

**REQUEST:**

City Council is requested to authorize a purchase order to Michigan Cat for one (1) new M318C Excavator in the amount of \$139,950.00.

**REASON FOR PURCHASE:**

The City solicited bids for the purchase of one new wheeled excavator using the MITN website. The bids called for the trade in of the City's current excavator, a 1998 Badger 1085C wheeled excavator that is fully depreciated and in need of replacement.

The City's normal replacement schedule for heavy construction equipment is 10 years. Because of Fleet Services life cycle cost history the replacement schedule for the city's excavators has been reduced to 7 years. Wheeled excavators are designed primarily for ditch cleaning and soil excavation operations however the City uses their excavator's to not only clean ditches but also for ripping out concrete and asphalt roads. In the past three years repair costs have amounted to just over \$40,000.00 for this piece of equipment. In the past year the overall condition of the vehicle, safety and dependability has been in steady decline. One of Fleet Services Division's written goals is to "Maintain the fleet in a safe, useful condition through proactive maintenance and scheduled replacement".

Due to these conditions bids were solicited for a new excavator. The lowest bidder was Wolverine Tractor with a VolvoEW180B for \$125,027.00 but it did not meet specifications. The second lowest vendor that met specifications was Michigan Cat with an M318C for \$139,950, which included a \$30,000.00 trade in for the City's current 1998 Badger Excavator.

The City's wheeled excavators are used on a daily basis by the DPS Roads Division for ditch cleaning and maintenance and repairs of major and local roads, and by the water & sewer divisions for water and sewer main breaks & repairs.

**PROCESS:**

**Vendor Name and Address:**

Michigan Cat  
12550 23 Mile Road  
Shelby Township, MI 48315

**Reason for Selection:**

Michigan Cat was the lowest responsive, responsible bidder that met specifications.

**Method of Purchase:**

Purchase Order

**BUDGET:**

This replacement excavator is provided for in the 2005 budget. Cost of the new excavator includes a trade in value of the City's current excavator #39-100.

<b>Fund Name</b>	<b>Department Account No</b>	<b>Account No. Description</b>	<b>Budget Amount</b>	<b>Cost</b>	<b>Remaining Budget</b>
Fleet	661.977000	Equipment Capitalized	211,560.00	139,950.00	\$71,610.00

**RECOMMENDATION:**

It is recommended that the Rochester Hills City Council approves a purchase order to Michigan Cat, Shelby Township, Michigan, for one (1) new M318C Excavator in the amount of \$139,950.00 as the lowest, responsive, responsible bidder that met all specifications.

**RESOLUTION**

**NEXT AGENDA ITEM**

**RETURN TO AGENDA**

<b>APPROVALS:</b>	<b>SIGNATURE</b>	<b>DATE</b>
<b>Department Review</b>		
<b>Department Director</b>		
<b>Budget Content: Finance Director</b>		
<b>Purchasing Process: Supervisor of Procurement</b>		
<b>Mayor</b>		
<b>City Council Liaison</b>		