



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: 2012-0021

TO: Mayor and City Council Members
FROM: Allan E. Schneck, Director of Public Service
DATE: January 23, 2012
SUBJECT: 670G Grader

REQUEST:

City Council is requested to authorized the purchase of one (1) new John Deere 670G Grader utilizing the State of Michigan MiDeal Extended Purchase program in the amount of \$216,966.00; JDE Equipment Company, Grand Rapids, MI

REASON FOR PURCHASE:

The City purchases John Deere equipment through the State of Michigan MiDeal Extended Purchase Program. Equipment purchased through this program is at a cost significantly lower than retail and our recent market research supports this. The discount received by utilizing the State of Michigan contract for the 670G grader is 32%.

The new grader will be utilized by the DPS Roads Division for gravel road maintenance and for snow plowing operations.

The purchase of the new 670G grader will replace a current Champion 740VHP grader purchased in 1997. The current grader is fully depreciated and was scheduled for replacement in 2007. The Champion 740VHP grader (Unit 81) with 7,176 hours on the meter will soon need new tires, main hydraulic pump overhaul or replacement, and circle/drawbar bushing replacement.

The existing grader will be sold at auction after the replacement grader is delivered.

PROCESS:

Vendor Name and Address:

JDE Equipment Company
651 AIS Drive SW
Grand Rapids MI 49548

Reason for Selection:

Best Value/MiDeal Extended Purchase Program

Method of Purchase:

Purchase Order

BUDGET:

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Fleet Equipment Fund	661.977000	Equipment Capitalized	\$241,890.00	\$216,966.00	\$24,924.00

RECOMMENDATION:

It is recommended that the Rochester Hills City Council authorize the purchase of one (1) new John Deere 670G Grader utilizing the State of Michigan MiDeal Extended Purchase program to JDE Equipment Company, Grand Rapids, Michigan in the amount of \$216,966.00.

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