



**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: 2009-0106

TO: Mayor and City Council Members
FROM: Roger Rouse, Director Department of Public Service, 841-2497
DATE: March 2, 2009
SUBJECT: Backhoe Loader

REQUEST:

City Council is requested to authorize the purchase of one (1) new John Deere 410J Backhoe Loader utilizing the State of Michigan MiDeal Extended Purchase Program. The backhoe loader will be purchased through JDE Equipment Company, New Hudson, MI in the amount of \$97,258.00.

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. The discount received by utilizing the State of Michigan contract for the backhoe loader is 36%. The City's current 1998 Backhoe is fully depreciated and due for scheduled replacement. The City will trade-in its current 1998 JD 410E backhoe for the amount of \$18,000 with the purchase of the new backhoe.

DPS water and sewer divisions primarily use the backhoe for water taps, water main and service repairs, and sewer line maintenance and repairs. The City's current backhoe (1998 JD 410E) that is due to be replaced has 6,310 hours on the meter and is in need of boom and dipperstick pins, slides and bushings, and the hydraulic pump is worn and as a result, the hydraulic system pressure is less than specification. The machine also needs new rear tires.

PROCESS:

Vendor Name and Address:

JDE Equipment Company
56555 Pontiac Trail
New Hudson, MI 48165

Reason for Selection:

Purchased through the State of Michigan MiDeal extended purchase program at a cost significantly lower than retail.

Method of Purchase:

Purchase Order

BUDGET:

The replacement backhoe is provided for in the 2009 Budget. Cost of the new backhoe does not include trade-in revenue of the City's current backhoe #39-088.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Fleet	661.977000	Equipment Capitalized	\$97,640	\$97,258	\$382

RECOMMENDATION:

It is recommended that the Rochester Hills City Council approve a purchase order to JDE Equipment Company, New Hudson, MI utilizing the State of Michigan MiDeal Extended Purchase Program for one (1) new John Deere 410J Backhoe Loader in the amount of \$97,258.00, which does not include an \$18,000.00 trade-in revenue for the City's current 1998 JD 410E Backhoe Loader.

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