



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

**1000 Rochester Hills Dr.
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Legislative File No: 2007-0723

TO: Mayor and City Council Members
FROM: Roger Rousse, Department of Public Service, 841-2497
DATE: October 2, 2007
SUBJECT: Excavator

REQUEST:

City Council is requested to authorize a purchase order to Michigan Cat for one (1) new M316D Wheeled Excavator in the amount of \$141,914.00

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 existing excavator referenced above was due to be replaced in 2005. Bids were solicited, received and a recommendation for purchase was brought before City Council for approval. Because of the local roads funding situation City Council did not approve the purchase. 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 tearing out concrete and asphalt roads.

Due to these conditions bids were solicited for a new excavator. The lowest bidder was Michigan Cat with an M316D for \$141,914.00, which included a \$30,000 trade in for the City's current 1998 Badger Excavator.

The City's wheeled excavators are used on a daily basis by the Department of Public Service for maintenance and repairs of major and local roads, ditch cleaning, and water and sewer main breaks and 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 the specifications.

Method of Purchase:

Purchase Order

BUDGET:

This replacement excavator is provided for in the 2007 budget. Based on the estimated delivery date, these funds will be proposed for re-appropriation in FY 2008. Cost of the new excavator includes a trade in value of the City's current excavator #39-100.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Fleet	661.977000	Equipment Capitalized	\$211,560	\$171,914	\$39,646

RECOMMENDATION:

It is recommended that the Rochester Hills City Council approves a purchase order to Michigan Cat, Shelby Township, Michigan for one (1) new M316D Excavator in the amount of \$141,914.00 as the lowest, responsive, responsible bidder that met all specifications.

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA

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