

COUNCIL ACTION FORM

SUBJECT: FLEET ACQUISITION PROGRAM – TRACTOR LOADER BACKHOE

BACKGROUND:

The City's fleet owns three rubber tired tractor loader backhoes operated by the Public Works Department. One is used by the Utility Maintenance Division for underground utility excavations, digging graves, and snow and ice control. The other two are used by the Streets Maintenance division for street maintenance, storm sewer maintenance, and snow and ice control. Each machine is a different size, matched to the specific needs of the services provided. The smaller unit was purchased new in 2005 for \$67,580, and is scheduled for replacement in FY2015.

The following bids have been received for this unit:

Bidder	Brand & Year	Model	Base Price	Trade-in Offer	Net Cost with trade
Titan Machinery of Des Moines, IA	Case 2015	580 SN	\$ 89,300	\$ 34,000	\$ 55,300
Murphy Tractor & Equipment Co. of Des Moines, IA	John Deere 2015	310 SK	\$ 92,744	\$ 26,500	\$ 66,244
Ziegler Caterpillar of Altoona, IA	CAT 2014	420 F	\$108,220	\$ 27,500	\$ 80,720

Fleet Services and Public Works evaluation of the bids determined that all of the machines offered are acceptable and meet the City's specifications. The machine offered by Titan Machinery for the 2015 Case 580 SN is the lowest cost including the trade-in offer. **Optional buy-back offers were requested but were not provided by all bidders. Therefore, per the evaluation criteria, buy-back offers could not be considered in the evaluation of the equipment.**

Public Works has accumulated \$59,370 in fleet replacement funds for this unit as of December 2014.

ALTERNATIVES:

1. Award this contract to Titan Machinery of Des Moines, IA for the Case 580 SN tractor loader backhoe for \$89,300, and accept Titan's trade-in offer of \$34,000 for the City's existing 580 tractor loader backhoe, for a net cost of \$55,300.

2. Instruct City staff to re-evaluate the bids and funding with the optional buy-back agreement included.
3. Reject all bids and re-bid

MANAGER'S RECOMMENDED ACTION:

Purchasing the Case 580 SN will provide a quality machine to meet Public Works' established service requirements at a reasonable price.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby awarding this contract to Titan Machinery of Des Moines, IA for the Case 580 SN tractor loader backhoe for \$89,300, and accepting Titan's trade-in offer for the City's existing 580 tractor loader backhoe of \$34,000, for a net cost of \$55,300.