

COUNCIL ACTION FORM

**SUBJECT: FLEET REPLACEMENT PROGRAM – RESOURCE RECOVERY
WHEEL LOADER**

BACKGROUND:

Resource Recovery uses two wheel loaders in their operation. Due to the frequent use of these machines, a plan was developed to always have one primary machine and a secondary unit. These units were rotated out on a two year schedule with the first year being the primary use unit and followed by one year as the secondary use machine.

In discussions for the replacement of this unit, it was determined that a larger loader could better meet the needs of the operation. The increase in size allows an opportunity to look at a diesel-electric hybrid unit. This configuration would have several advantages, including a larger loading capacity, a quieter engine, lower fuel consumption, and a longer operational life.

Due to the increase in cost of the larger machine and its longer anticipated life, Fleet Services and Resource Recovery staffs configured a new rotational model to keep one larger diesel-electric hybrid for three years and to have a second unit similar to what is currently being used for three years. This will allow spreading out the costs in the Resource Recovery budget.

This bid is for a new diesel-electric hybrid wheel loader for Resource Recovery.
Bids from dealers were received as follows:

Bidder	Unit Price	Make	Model	Year	Guaranteed Buy Back	Full Warranty (4 years and 6,000 hours)
Murphy Tractor & Equipment	\$268,972	John Deere	644K Hybrid	2015	\$165,000	\$3,165
Titan Machinery	No Bid					
Ziegler, Inc.	No Bid					
Scott Van Keppel	No Bid					

The sole bid received for the diesel-electric hybrid wheel loader with extended warranty is from Murphy Tractor and Equipment of Des Moines, Iowa at a total cost of \$272,137.

Funding is available for this purchase as follows:

Replacement funds available	\$187,255 (as of 8/1/15)
Buy back of existing unit	<u>100,000</u>
Total available funding	\$287,255

ALTERNATIVES:

1. Approve and award this contract to Murphy Tractor and Equipment of Des Moines, Iowa, for one John Deere 644K Hybrid and extended warranty for \$272,137.
2. Reject award of bid.

MANAGER'S RECOMMENDED ACTION:

Fleet Services and Resource Recovery staff agree that the John Deere 644K Hybrid from Murphy Tractor and Equipment, of Des Moines, Iowa, meets the City's needs as specified. Purchasing this tractor will provide the best, most economical and sustainable equipment. The new three-year equipment replacement schedule will also allow this upgrade to occur without too large an increase in the Resource Recovery budget.

Therefore, it is the recommendation of the City Manager that the City Council adopts Alternative No. 1 as described above.