

**COUNCIL ACTION FORM**

**SUBJECT: FLEET REPLACEMENT PROGRAM – PUBLIC WORKS STREETS  
 BACKHOE LOADER REPLACEMENT**

**BACKGROUND:**

The City has three backhoe-loaders in service with the Public Works Department. Two units are used by Streets, and the other by Utility Maintenance. One of the Streets units #327, a John Deere model 310, is due for replacement In February of this year. As planned, this unit will be purchased in February by Murphy Tractor of Des Moines as agreed in a buyback agreement for \$45,000. Streets Division staff discussed their options for the most practical and effective replacement of this tractor. After discussion, it was decided they could best meet their operational objectives with another larger unit, sized similarly to the other Streets backhoe-loader.

Bids were received from dealers as follows:

Bidder	Make	Model	Year	Buyback offer	Base Bid	Net Low Bid
Ziegler Caterpillar Altoona, IA	CAT	430 F2	2017	\$45,000	\$115,575	\$70,575
Boarder Machinery, Augusta, GA	Case	590 SN	2017	\$28,000	\$109,186	\$81,186
Murphy Tractor & Equipment Des Moines, IA	John Deere	410 L	2017	N/A	\$112,900	\$112,900
Titan Machinery Des Moines, IA	Case	590 SN	2017	N/A	\$113,300	\$113,300

The net low evaluated bid for the backhoe loader is the CAT 430 F2 from Ziegler Caterpillar, of Altoona, Iowa, in the amount of \$70,575. Fleet recommends purchasing the option for a 5-year full coverage warranty for this unit in the amount of \$8,100. The base bid with the extended warranty makes the purchase price **\$123,675**.

**FUNDING:**

Escrow available on current loader #327	\$ 53,383
Buyback from Murphy for the JD310	45,000
Unobligated escrow from #1066 (see below)	10,117
<u>Funding identified from operating budget</u>	<u>16,500</u>
Total available funds	<b>\$125,000</b>

Unit #1066 is the Streets backhoe-loader that was downsized earlier this fiscal year. There is currently \$21,872 in escrow in this unit due to the downsizing. With the downsize of that unit and the slight upgrade to the unit being bid it is expected to have an overall decrease in maintenance costs compared to previous years.

**ALTERNATIVES:**

1. Approve and award this contract to Ziegler CAT of Altoona, IA for a Cat 430F2 in the amount of \$123,675 including the 5 year full coverage warranty for \$8,100 and accept Ziegler's buyback offer of \$45,000 in 5 years/6,000 hrs.
2. Reject award of bid.

**MANAGER'S RECOMMENDED ACTION:**

The Director of Fleet Services and Public Works staff agree the CAT 430 F2, from Ziegler Caterpillar, of Altoona, Iowa, meets the operational needs as specified as well as results in the lowest cost to the City.

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