



City of Grand Island

Tuesday, April 9, 2013

Council Session

Item G-10

#2013-99 - Approving Bid Award for One (1) New Asphalt Reclaiming/Trenching Machine for the Streets Division of the Public Works Department

Staff Contact: John Collins, P.E. - Public Works Director

Council Agenda Memo

From: Shannon Callahan, Street Superintendent

Meeting: April 9, 2013

Subject: Approving Bid Award for One (1) New Asphalt Reclaiming/Trenching Machine for the Streets Division of the Public Works Department

Item #'s: G-10

Presenter(s): John Collins, P.E. - Public Works Director

Background

On March 11, 2013 the Streets Division of the Public Works Department advertised for bids for one (1) new asphalt reclaiming/trenching machine.

Discussion

One (1) capital lease purchase bid was received and opened on March 26, 2013. The Streets Division of Public Works Department and the Purchasing Division of the City Attorney's Office have reviewed the bids that were received. The bid by Asphalt Zipper, Inc. of American Fork, Utah meets all of the specifications. A summary of the bid is shown below.

Company Name	Asphalt Zipper, Inc.
Base Price	\$103,490.00
Amount to be Financed	\$103,490.00
Fixed Annual Interest Rate	3.68%
Annual Payment Amount	\$23,038.08
Payment Period	Annual
Number of Terms	60 months

Total Purchase Price at End of Lease	\$115,190.40
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The bid received by Asphalt Zipper, Inc. stated the five annual payments of \$23,038.08 were to be paid in arrears. The terms were negotiated by our Street Superintendent, Shannon Callahan, to consist of a \$23,000.00 payment in advance the first year, followed by four annual payments of \$22,414.65. With this payment schedule the total repayment amount will be \$112,658.60, resulting in an overall savings of \$2,531.80.

Funds were budgeted for Fiscal Year 2013 and are available in Account No. 10033501-85615.

The estimate of \$100,000.00 is within 4% of the actual bid price, which is considered fair and reasonable.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the capital lease purchase of One (1) new asphalt reclaiming/trenching machine from Asphalt Zipper, Inc. of American Fork, Utah.

Sample Motion

Move to approve the capital lease purchase of One (1) new asphalt reclaiming/trenching machine from Asphalt Zipper, Inc. of American Fork, Utah.



Stacy Nonhof, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: March 26, 2013 at 2:15 p.m.
FOR: (1) New Asphalt Reclaiming/Trenching Machine
DEPARTMENT: Public Works
ESTIMATE: \$100,000.00
FUND/ACCOUNT: 10033501-85615
PUBLICATION DATE: March 10, 2013
NO. POTENTIAL BIDDERS: 4

SUMMARY

Bidder: Asphalt Zipper
American Fork, UT
Bid Security: Travelers Casualty & Surety Co.
Exceptions: Noted

Bid Price:
Make: Asphalt Zipper
Model: AZ360B
Year: 2013
Base Price: \$103,490.00
Containment System: \$ 8,500.00
Transport Trailer: \$ 9,000.00
Water System: \$ 2,000.00
Bucket Mounting: -0-

cc: John Collins, Public Works Director
Mary Lou Brown, City Administrator
Stacy Nonhof, Purchasing Agent

Catrina DeLosh, PW Admin. Assist.
Shannon Callahan, Streets Supt.

P1629

RESOLUTION 2013-99

WHEREAS, the City of Grand Island invited sealed bids for one (1) new asphalt reclaiming/trenching machine for the Streets Division of the Public Works Department, according to specifications on file with the Public Works Department; and

WHEREAS, on March 26, 2013 bids were received, opened and reviewed; and

WHEREAS, Asphalt Zipper, Inc. of American Fork, Utah submitted a capital lease purchase bid in accordance with the terms of the advertisement of bids and specifications and all other statutory requirements contained therein, such bid being in the total amount of \$103,490.00; and

WHEREAS, such amount will be financed by Capital Innovations of Warminster, Pennsylvania; and

WHEREAS, the first annual payment of \$23,000.00 will be paid in advance; and

WHEREAS, the remaining four annual payments will be in the amount of \$22,414.65; and

WHEREAS, the total repayment amount will be \$112,658.60 for such piece of equipment; and

WHEREAS, the capital lease purchase bid from Asphalt Zipper, Inc. of American Fork, Utah is considered fair and reasonable for such item.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the capital lease purchase bid of Asphalt Zipper, Inc. of American Fork, Utah in the total amount of \$103,490.00 for one (1) new asphalt reclaiming/trenching machine is hereby approved as the lowest responsive and responsible bid.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized to sign the lease agreement for the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, April 9, 2013.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	□
April 5, 2013	□ City Attorney