



City of Grand Island

Tuesday, January 12, 2010

Council Session

Item G12

**#2010-10 - Approving Bid Award for One (1) 2010 Four Wheel
Drive Front End Loader (Solid Waste Division)**

Staff Contact: Steven P. Riehle, Public Works Director

Council Agenda Memo

From: Steven P. Riehle, Public Works Director

Meeting: January 12, 2010

Subject: Approving Bid Award for One (1) 2010 Four Wheel Drive Front End Loader (Solid Waste Division)

Item #'s: G-12

Presenter(s): Steven P. Riehle, Public Works Director

Background

On December 5, 2009 the Solid Waste Division of the Public Works Department advertised for a 33,000 Pound Four Wheel Drive Front End Loader. There were five (5) potential bidders. Funds for the loader were in the approved 2009/2010 budget on page 231.

Discussion

Bids were received and opened on December 22, 2009. The Solid Waste Division of the Public Works Department reviewed the bids that were received. The loader bid by NMC Inc. of Doniphan, NE meets all of the specifications and based on an anticipated 4-year ownership, is the machine with the lowest net cost of ownership. The bid from Fairbanks Equipment was an incomplete bid. Neither of the qualifying bidders noted any exceptions.

Bidder	Base Price	Repurchasing Agreement	Net Cost of Ownership
NMC Inc. of Doniphan, NE	\$203,157.00	4 yrs or 4,000 hrs = \$108,500.00	\$94,657.00
Murphy Tractor & Equipment Co. of Grand Island, NE	\$199,500.00	4 yrs or 4,000 hrs = \$65,000.00	\$134,500.00
Fairbanks Equipment of Grand Island, NE	\$189,576.00	*N/A	N/A

*Fairbanks Equipment of Grand Island is not willing to offer repurchasing agreement

The specifications used base price minus a guaranteed buy back price in a repurchasing agreement to reflect the net cost of ownership. The specifications also asked each bidder to submit a price to purchase the City's trade-in loader. The trade-in prices are listed as follows:

NMC Inc.	\$91,819
Murphy Tractor & Equipment	\$60,000
Fairbanks Equipment	\$80,000

Since NMC Inc.'s bid for trade-in matched the dollar amount in the repurchasing agreement and was higher than the trade-in amount bid by other bidders, the repurchase agreement with NMC Inc. will be used for the trade-in.

This unit is a front-line piece of equipment for the Solid Waste Division and is used in the daily operations of the transfer station primarily for pushing solid waste and loading the waste into semi-trailers for transport to the landfill. It is important to continue the scheduled replacement of these machines in order to prevent unnecessary down-time so that the Division can continue to serve the commercial haulers and residential customers without interruption. The guaranteed repurchase agreement has proven to be very cost effective and has worked extremely well for us. The Division will operate this machine for approximately \$23.50 per hour, which includes a bumper-to-bumper warranty and all service and repair work to be completed by NMC Inc. for four years.

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 purchase of the Four Wheel Drive Front Loader from NMC Inc.

Sample Motion

Move to approve purchase of the Four Wheel Drive Front Loader from NMC Inc.

Purchasing Division of Legal Department
INTEROFFICE MEMORANDUM



Wes Nespor, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: December 22, 2009 at 11:00 a.m.

FOR: (1) 2010 33,000 Pound Four Wheel Drive Front End Loader

DEPARTMENT: Public Works

ESTIMATE: \$230,000.00

FUND/ACCOUNT: 50530040-85615

PUBLICATION DATE: December 5, 2009

NO. POTENTIAL BIDDERS: 5

SUMMARY

Bidder:	<u>Fairbanks</u> Grand Island, NE	<u>Murphy Tractor</u> Grand Island, NE
Bid Security:	Federated Mutual Ins. Co.	Sentry Insurance
Exceptions:	None	None
Bid Price:	\$189,576.00	\$199,500.00
Trade-In:	\$ 80,000.00	\$ 60,000.00

Bidder:	<u>Nebraska Machinery Company</u> Doniphan, NE
Bid Security:	Travelers Casualty
Exceptions:	None
Bid Price:	\$203,157.00
Trade-In:	\$ 91,819.00

cc: Steve Riehle, Public Works Director
Dale Shotkoski, City Attorney
Jeff Pederson, City Administrator

Catrina DeLosh, PW Admin. Assist.
Wes Nespor, Purchasing Agent
Jeff Wattier, Solid Waste Supt.

RESOLUTION 2010-10

WHEREAS, the City Of Grand Island invited sealed bids for one (1) 2010 Four Wheel Drive Front End Loader, according to plans on file with the Public Works Department; and

WHEREAS, on December 22, 2009 bids were received, opened and reviewed; and

WHEREAS, NMC Inc. of Doniphan, Nebraska submitted a bid in accordance with the terms of the advertisement of bids and specifications and all other statutory requirements contained therein, at a base price of \$203,157.00, with a Repurchasing Agreement amount of \$108,500.00, for a net cost of ownership of \$94,657.00; and

WHEREAS, the bid of NMC Inc. is less than the estimate.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of NMC Inc. of Doniphan, Nebraska, at a base price of \$203,157.00, with a Repurchasing Agreement amount of \$108,500.00 for a 2010 Model 33,000 pound Four Wheel Drive Front End Loader is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, January 12, 2010.

Peg Gilbert, Council President

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
January 7, 2010	☐ City Attorney