



# City of Grand Island

Tuesday, October 12, 2010

Council Session

## Item G19

**#2010-287 - Approving Bid Award for One (1) 2011 Dozer**

Staff Contact: Steven P. Riehle, Public Works Director

# **Council Agenda Memo**

**From:** Steven P. Riehle, Public Works Director

**Meeting:** October 12, 2010

**Subject:** Approving Bid Award for One (1) 2011 Model Tracked Dozer (Solid Waste Division)

**Item #'s:** G-19

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

## **Background**

On August 14, 2010 the Solid Waste Division of the Public Works Department advertised for a 2011 Model Tracked Dozer. There were three potential bidders for this machine. Funds for the dozer are in the approved 2010/2011 budget.

The tracked dozer is an essential front-line machine used at the landfill on a daily basis. It is used for pushing and spreading incoming solid waste at the working face operating in tandem with the compactor, pushing and spreading WWTP sludge for use as alternate daily cover, and for pushing and spreading soil for use as intermediate cover, among other essential tasks. We typically replace this machine every four years and utilize a total cost of ownership bid process which includes a re-purchase agreement, total machine warranty, and a preventative maintenance/customer service agreement. The total cost of ownership bid process has served us well.

## **Discussion**

Bids were received and opened on September 8, 2010. The Solid Waste Division of the Public Works Department and the Purchasing Division reviewed the bids that were received. The dozer bid by Roadbuilders Machinery of Grand Island, NE is the lowest bid based on an anticipated 4-year ownership, but several important exceptions were noted. The dozer bid by NMC, Inc. of Doniphan, NE meets all of the specifications with no exceptions.

<b>Bidder</b>	<b>Base Price</b>	<b>Repurchasing Agreement</b>	<b>Net Cost of Ownership</b>
NMC, Inc. of Doniphan, NE	\$668,899	4 yrs or 9,250 hours = \$211,092	\$457,807
Roadbuilders Machinery of Grand Island, NE	\$570,158	4 yrs or 9,250 hours = \$140,000	\$430,158

\*Base price includes 7,500 hour total machine warranty and 8,000 hour service agreement

There were several noteworthy exceptions to the specifications in the bid submitted by Roadbuilders Machinery. Changing the exceptions after the bid opening could be considered negotiating and is not allowed.

1. The specifications required heavy-duty swing-out screens for the cab doors, which Roadbuilders Machinery stated they would not provide. The screens are meant to prevent debris from shattering the cab glass and for operator safety and protection. It is also necessary for the screens to swing-out in order for the equipment operators to be able to clean the glass for visibility while operating the machine. The estimated cost to add the screen is \$1,500.00.

2. Roadbuilders Machinery also listed a stipulation to their re-purchase agreement that the dozer's undercarriage must have at least 50% service life left on all components in order for the City to receive the guaranteed re-purchase amount when the City replaces the machine. A tracked dozer's undercarriage consists of several high-wear steel components that would cost the City an estimated \$32,000 to \$39,000 to replace. The Solid Waste Division has operated several tracked machines at the Landfill in the past, none of which have ever had 50% service life left on the undercarriage when the machine was replaced. All of the undercarriages were replaced by the dealer after trade-in before being sold to another customer.

3. The bid specifications also stated that the bidders should include warranty details with the machine and that failure to comply may cause bid rejection. As part of the base bid, a 7,500 hour total machine warranty was specified in the bid documents. The warranty details provided with Roadbuilders Machinery's bid was a sample warranty which did not meet many of the criteria for the requested 7,500 hour total machine warranty.

### **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**

Public Works Administration recommends that the Council approve the purchase of the 2011 Model Tracked Dozer from NMC, Inc.

## **Sample Motion**

Move to approve purchase of the 2011 Model Tracked Dozer from NMC, Inc.

Purchasing Division of Legal Department  
**INTEROFFICE MEMORANDUM**



Jason Eley, Purchasing Agent

*Working Together for a  
Better Tomorrow, Today*

**BID OPENING**

**BID OPENING DATE:** September 8, 2010 at 2:00 p.m.

**FOR:** (1) 2011 Dozer

**DEPARTMENT:** Public Works

**ESTIMATE:** \$715,000.00

**FUND/ACCOUNT:** 50530043-85615

**PUBLICATION DATE:** August 14, 2010

**NO. POTENTIAL BIDDERS:** 3

**SUMMARY**

<b>Bidder:</b>	<u>Roads Builders</u> Grand Island, NE	<u>NMC, Inc.</u> Doniphan, NE
<b>Bid Security:</b>	Fidelity & Deposit Co.	Travelers Casualty & Surety Co.
<b>Exceptions:</b>	Noted	None
<b>Bid Price:</b>	\$570,158.00	\$668,899.00
<b>Trade-In:</b>	\$175,000.00	\$169,485.00
<b>Repurchasing Agreement:</b>		
1 yr or 2,250 hrs.	\$376,000.00	\$343,728.00
2 yrs or 4,500 hrs.	\$260,000.00	\$292,168.00
3 yrs or 6,750 hrs.	\$200,000.00	\$248,343.00
4 yrs or 9,250 hrs.	\$140,000.00	\$211,092.00
<b>Delivery Date:</b>	5 – 6 months	90 – 120 days

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

Catrina DeLosh, PW Admin. Assist.  
Jason Eley, Purchasing Agent  
Jeff Wattier, Solid Waste Supt.

RESOLUTION 2010-287

WHEREAS, the City Of Grand Island invited sealed bids for one (1) 2011 model Tracked Dozer, according to specifications on file with the Public Works Department; and

WHEREAS, on September 8, 2010 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 \$668,899.00; and

WHEREAS, the base 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 \$668,899.00, for a 2011 model Tracked Dozer is hereby approved as the lowest responsible bid.

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

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Margaret Hornady, Mayor

Attest:

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RaNae Edwards, City Clerk