



City of Grand Island

Tuesday, April 10, 2012

Council Session

Item G8

**#2012-89 - Approving Bid Award - 2013 Truck with Digger
Derrick Unit - Utilities Line Division**

Staff Contact: Tim Luchsinger, Jason Eley

Council Agenda Memo

From: Timothy Luchsinger, Utilities Director
Jason Eley, Assistant City Attorney/Purchasing

Meeting: April 10, 2012

Subject: 2013 Truck with Digger Derrick Unit – Line Division

Item #'s: G-8

Presenter(s): Timothy Luchsinger, Utilities Director

Background

The three construction crews of the Utilities Line Division maintain approximately 400 miles of overhead line in the Grand Island area; rebuilding older lines as needed, re-locating lines to accommodate projects such as the widening of Capital Avenue, and building new lines as the City expands and new development occurs. Each of these crews has a digger/derrick truck and a bucket truck as basic equipment. The digger/derrick units are heavy trucks used to dig the holes for power poles and to handle and place the poles for line construction and repair. The boom, hydraulic auger, outriggers and auxiliary equipment used for line construction are powered from the truck engine when the unit is in service.

The Department's Unit #59 is a 14 year old digger/derrick truck. Since the truck engine provides the power for the hydraulic construction equipment on the truck, each truck is equipped with an hour meter to schedule maintenance and monitor usage. Unit #59 has about 8,000 hours on it, which is the equivalent of about 240,000 miles at an average 30 mph engine speed.

To ensure safe operation under heavy loads and near energized power lines, line construction trucks are tested and inspected annually to ensure structural integrity and to ensure dielectric strength is retained. These tests are conducted by firms specializing in this specific type of equipment. At the last inspection of Unit #59, the inspector noted that many components were approaching their replacement life. Because of concerns about the continued reliable operation of this unit, it was included for replacement in the current Electric Department budget.

Discussion

Specifications for replacement of Unit #59 were prepared by department staff, advertised in accordance with the City Purchasing Code, sent to six potential bidders, and posted on the City's Web Site. The bids were publicly opened on March 20, 2012. Five bids were received as tabulated below. The budgeted amount for this replacement vehicle was \$225,000.

Terex Utilities – Watertown, SD

Base Price	\$	Terex digger
Truck	+\$ 224,283.00	Four Star Freightliner M2-106
	- \$ 15,000.00	Trade-In
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TOTAL BID	\$209,283.00	

Altec Industries, St. Joseph, MO

Base Price	\$	Altec digger
Truck	+\$226,818.00	Hansen International, Grand Island, NE
	- \$ 15,000.00	Trade-In
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TOTAL BID	\$211,818.00	

Altec Industries – St. Joseph, MO

Base Price	\$	Altec digger
Truck	+\$215,941.00	Altec Industries Freightliner
	- \$ 15,000.00	Trade-In
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TOTAL BID	\$200,941.00	

Altec Industries – St. Joseph, MO

Base Price	\$	Altec digger
	+\$218,969.00	Nebraska Peterbilt, Grand Island, NE
	- \$ 15,000.00	Trade-In
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TOTAL BID	\$203,969.00	

Altec Industries – St. Joseph, MO

Base Price	\$	Altec digger
	+\$220,204.00	North American Truck & Trailer Kenworth
	- \$ 15,000.00	Trade-In
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TOTAL BID	\$205,204.00	

The bids were reviewed by Utility Department staff. All of the bids included exceptions; a few do materially affect the ability of the bid equipment to meet the job requirements as specified.

- 1) Terex bid a 2013 Freightliner M2-106 with exceptions to the maintenance free bushings instead of auxiliary springs which will cause a problem when hauling poles. The exceptions of providing two batteries instead of three will be a problem in cold weather when auxiliary power requirements are needed.
- 2) Altec Industries bid a 2013 International 7500 chassis. The major exception is the bid of an Allison 3000 RDS transmission instead of the Allison 3500 RDS transmission as specified. The difference being that the 3000 does not have a low first gear which is crucial in soft conditions when the truck is required to get in and out of road ditches and low areas. No chassis manuals for maintenance were included.
- 3) Altec Industries bid a 2013 Freightliner M2-106 chassis with the same Allison 3000 RDS transmission. That is not acceptable, as stated above in #2.
- 4) Altec Industries bid a 2013 Peterbilt 348 chassis with no major exceptions.
- 5) Altec Industries bid a 2013 Kenworth T370. The major exception is the transmission is not the Allison 3500 ADS as specified. The batteries are inside the truck cab, not outside, and the truck has only one air ride seat for the driver instead of two as specified.

Utility line staff recommends that the 2013 Peterbilt Digger Derrick Unit from Altec Industries in the amount of \$203,969.00 is the low responsive bid for the replacement digger derrick unit for the Line Division's Unit 59.

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 2013 Peterbilt truck with Digger Derrick Unit from Altec Industries of St. Joseph, Missouri, in the amount of \$203,969.00, net price with trade-in of the old unit.

Sample Motion

Move to approve the purchase of a 2013 Truck with Digger Derrick Unit from Altec Industries of St. Joseph, Missouri, in the amount of \$203,969.00.

Purchasing Division of Legal Department
INTEROFFICE MEMORANDUM



Jason Eley, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: March 20, 2012 at 2:00 p.m.
FOR: 2012 Truck with Digger Derrick Unit
DEPARTMENT: Utilities
ESTIMATE: \$225,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: February 28, 2012
NO. POTENTIAL BIDDERS: 8

SUMMARY

Bidder:	<u>Terex Utilities</u> San Antonio, TX	<u>Altec Industries</u> St. Joseph, MO
Exceptions:	Noted	Noted
Bid Price:	\$224,283.00	\$215,941.00
Trade In:	<u>\$ 15,000.00</u>	<u>\$ 15,000.00</u>
Total Cost:	\$209,283.00	\$200,941.00

cc: Tim Luchsinger, Utilities Director
Jason Eley, Purchasing Agent
Mary Lou Brown, City Administrator

Bob Smith, Assist. Utilities Director
Pat Gericke, Utilities Admin. Assist.
Bryan Fiala, Elec. Dist. Supt.

P1538

RESOLUTION 2012-89

WHEREAS, the City of Grand Island invited sealed bids for a 2013 Truck with Digger Derrick Unit, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on March 20, 2012, bids were received, opened and reviewed; and

WHEREAS, Altec Industries of St. Joseph, Missouri, submitted a bid in accordance with the terms of the advertisement of bids and plans and specifications and all other statutory requirements contained therein, such bid being in the amount of \$203,969.00; and

WHEREAS, the bid of Altec Industries is less than the budgeted amount for the 2013 Truck with Digger Derrick Unit.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Altec Industries in the amount of \$203,969.00 for a 2013 Truck with Digger Derrick Unit is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, April 10, 2012.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk