



CITY COUNCIL AGENDA ITEM

July 11, 2014

To: Brian Kischnick, City Manager

From: MaryBeth Murz, Purchasing Manager
 Timothy L. Richnak, Public Works Director
 Samuel P. Lamerato, Superintendent of Fleet Maintenance

Subject: Standard Purchasing Resolution 4: State of Michigan – MiDEAL Program –
 Fleet Vehicles/Equipment

History

- The John Deere 672G all wheel drive Grader recommended for purchase is a replacement for the (2) two 1980 Galion graders to be auctioned or traded-in.
- This grader is used by the Department of Public Works to grade gravel roads, shoulders and Park maintenance. The all wheel drive grader also has the capability of removing snow.

Purchasing

- JDE Equipment/AIS Construction Equipment – A dealer for John Deere is one of the awarded low bidders from the State of Michigan – MiDEAL Program – Contract #071B1300116.
- This 2013 John Deere grader is a new *demonstrator* unit, with approximately 100 hours of use, and was discounted \$2,500. Note, that a 2014 model John Deere 672G, with the new federally mandated Tier-4 emissions, will have approximately an 8% price increase.
- JDE Equipment/AIS Construction Equipment has offered a trade-in allowance of \$5,500.00 for each grader
- On February 10, 2014 City Council authorized departments to utilize sites such as GovDeal.com to dispose of City owned surplus items. {Resolution #2014-02-017-J-4a} Therefore, note that the City may benefit from marketing the two (2) obsolete graders on the GovDeal.com site for optimal trade-in value.

Financial

Funds are available in the Public Works Fleet Division capital account.

Recommendation

City management requests authorization to purchase one (1) 2013 John Deere 672G grader for the Public Works Department from JDE Equipment/AIS Construction Equipment, of Grand Rapids, MI through the State of Michigan MiDEAL Program Contract #071B1300116 for an estimated total cost of \$262,356.00; less trade-in for the (2) two 1980 graders for a total of \$11,000 or better at the time of delivery of the new unit.