



CITY COUNCIL ACTION REPORT

November 18, 2008

TO: Phillip L. Nelson, City Manager

FROM: Brian P. Murphy, Assistant City Manager/Economic Development Services
Susan A. Leirstein, Purchasing Director
Timothy L. Richnak, Public Works Director

SUBJECT: Standard Purchasing Resolution 4: Award – State of Michigan MiDEAL Program – Lawn & Garden, Commercial and Agricultural Equipment

Background

- The State of Michigan MiDEAL Program awarded a contract agreement for commercial equipment to the John Deere Company (Contract #071B6200191).
- The Backhoe being purchased is a replacement Backhoe for one that will be auctioned or traded-in.
- Discounts on this equipment are available up to 36% from manufacturer's suggested retail prices.
- JDE Equipment Company has agreed to a trade-in allowance of \$16,000 for the 1997 JCB backhoe.

Financial Considerations

- \$80,000 has been budgeted for this purchase in the Public Works Fleet Division capital account #5657981.

(1) John Deere 410J Backhoe	<u>UNIT COST</u>
Plus: Additional Options	\$83,757.00
Spare Wheels	
5year/5,000 hours extended power train/hydraulic warranty	
Repair Manuals	\$ 6,585.00
<u>Less: Trade-In 1997 JCB 215 Backhoe</u>	<u>\$(16,000.00)</u>
ESTIMATED TOTAL	\$ \$74,342.00

TRADE-IN

After researching the current market value of our backhoe for trade-in, the City may be able to benefit by marketing this backhoe through trade publications and websites, thereby increasing the trade-in value of this piece of equipment. If that fails, JDE Equipment Company would extend their offer to trade-in the equipment at \$16,000.00 at the time of delivery of the new backhoe.

Legal Considerations

- There are no legal considerations associated with this item.

November 18, 2008

To: Phillip L. Nelson, City Manager

Re: State of Michigan MiDEAL Program – Commercial Equipment

Policy Considerations

- The purchase of the backhoe would assure the safety and welfare of citizens and businesses, and also reduce the liability for the City. (Outcome Statement I).
- The backhoe is used on a daily basis to assure proper and proactive Water Division maintenance and repairs to water and sewer mains (Outcome Statement II).

Options

- City management and the Public Works Fleet Division recommend awarding a contract to provide one (1) 2008 John Deere 410J Backhoe from JDE Equipment Company, New Hudson, MI, through the State of Michigan MiDEAL program for \$83,757.00, plus additional options (spare wheels, repair manuals and 5 year/5,000 hour extended power train/hydraulic warranty) not covered under MiDEAL in the amount of \$6,585.00, less trade-in of \$16,000.00, for an estimated net total cost of \$74,342.00.



www.jdeequip.com

Grand Rapids
651 AIS Drive SW
Grand Rapids, MI 49548
Telephone: (616) 530-2000

West Detroit
56555 Pontiac Trail
New Hudson, MI 48165
Telephone: (248) 437-8121

Traverse City
777 US 31 S
Traverse City, MI 49684
Telephone: (231) 943-3996

Mr. Sam Lamerato
Superintendent of Fleet Maintenance
City of Troy
4693 Rochester Road
Troy, MI 48085

October 28, 2008

Subject: Quotations for John Deere 410J Backhoe at State of Michigan Contract Pricing

Dear Mr. Lamerato:

Attached please find our quotations to provide you with a John Deere 410J Backhoe as described on the equipment detail sheets provided. The order should be issued to JDE Equipment Company referencing the State Contract Number as shown on the enclosed page 2 of State Contract No. 071B6200191 and as done recently on various State of Michigan and Municipality Purchase Orders (copies attached).

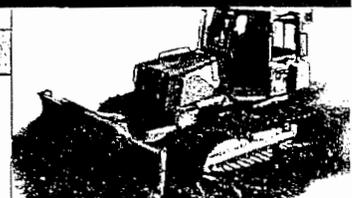
As we discussed previously the state contract pricing covers the machine and all options provided by John Deere. The additional items shown in the additional charges section (Spare Wheels, Extended Warranty, Trade In Credit, etc) are priced out separately. The only difference between the two quotations provided is the type of extended warranty included.

Thank you for your continued interest in JDE Equipment Company and John Deere Construction and Forestry products and we look forward to working with you on this project.

Sincerely,

Chris Robinson
Governmental Sales Manager

CONSTRUCTION & FORESTRY EQUIPMENT



Equipment Details

Date: October 28, 2008

Price and availability subject to change without notice. Taxes, extended warranty and freight charges are extra. Some additional charges may apply.

All amounts are displayed in USD

410J BACKHOE LOADER

Code	Description	Qty	List Price
7340T	410J BACKHOE LOADER		\$99,064.00

Options

Required Items:

800	410J Standard Backhoe	1	In Base Price
	Backhoe with No Value Package		
1085	John Deere PowerTech E 4045H 4.5L (276 Cu.In.)Engine 98 Net Peak hp *Certified EPA Tier 3 and EU Stage IIIA Emissions	1	In Base Price
	Certified EPA Tier 3 and EU Stage IIIA Emissions.		
3085	Mechanical Front Wheel Drive (4WD) with Front Wheel Limited Slip Differential and Powershift Transmission	1	In Base Price
	Includes torque converter with electrically actuated twist grip F-N-R in 1st through 4th gears.		
4890	Goodyear 21L - 24 In. 10 PR (R4) Tubeless Rear & 12.5/80 - 18 In. 10 PR Traction Front Sure Grip Lug Tires	1	In Base Price
	91 in. (2.32 m) overall width. Rear tire chains require wheel spacers.		

2075	Cab with Dual Doors	1	\$7,719.00
	Isolation mounted Modular design ROPS/FOPS (Conforms to SAE J1040) Molded roof Tinted safety glass Deluxe interior trim Headliner Molded floor mats 40,000 BTU heater/defroster/pressurizer (3-speed) Two front driving/working halogen lights (35,200 Candlepower Each) Two rear working halogen lights (35,200 Candlepower Each) Four turn signal/flashing/rear stop/tail lights (2) front and (2) rear lights Two rear reflectors Front 2-speed wiper and rear 1-speed wiper		
2675	Mechanical Suspension Deluxe, Fabric, Swivel Seat with Fully Adjustable Lumbar Adjustment and Arm Rests	1	No Charge
	NOTE: * Recommended for use with Cab. * Includes 2 in. retractable seat belt.		
8625	Single Battery, 150 Minute Reserve Capacity (950 CCA)	1	In Base Price
5085	Extendible Dipperstick with 6 Function Hydraulics, Selective Flow Control Valve (9,18,22,26,30 or 34GPM), 1000-3000 PSI Adjustable with Flow Control Aux. Plumbing and Extended Stabilizers / Pin Lock Reversible Pads	1	\$10,941.00
5285	DEERE Backhoe Pattern 2-Lever Pilot Controls with Pattern Selection	1	\$2,150.00
7075	Loader with 3 Function Hydraulics for Pin-On Multipurpose Bucket	1	\$1,442.00
	For multi-purpose bucket and front attachments. Includes valve with circuit relief and .5 in. (12.7 mm) hoses and steel lines to loader cross tube.		
	Optional Items:		
8475	1000 Lb. (454 kg) Front Counterweight	1	\$1,109.00
	Recommended for: Standard Backhoe w/ rear Attachment and w/o Coupler. Extendible Backhoe w/ 1.25 c.y. Bucket and w/o coupler. Extendible Backhoe w/Multipurpose Bucket with or w/o Coupler.		

For use with DEERE Top Hook Coupler
 bucket codes 5630 or 5660 and CP or Pre-
 XLS Wain Roy Top Hook Buckets

5660	Top Hook 24" (610 mm) Wide - HD - 8.8 Cu. Ft. (0.25 Cu. M.) Capacity Coupler Backhoe Bucket	1	\$1,414.00
Requires Code 5430 Top Hook Coupler			
5600	Less Backhoe Bucket with Bucket Pins	1	In Base Price
7685	1.32 Cu. Yd. (.96 Cu. M.), 92 in. (2.34 m) wide Multi-Purpose Bucket	1	\$5,513.00
Requires Code 7075, Aux. Loader Hydraulics. Includes reversible bolt-on cutting edge and skid plates. Pre-drilled for eight teeth - Order teeth from parts. Includes two lift holes.			
9175	Front Windshield Washer	1	\$208.00
Requires Cab.			
AT312949	Accu-Swing Kit for Backhoe Dipperstick	1	\$370.00
AT313589	Beacon/Strobe Ready Wiring Kit	1	\$25.00
Kit for aftermarket Beacon or Strobe light Kit does not include Beacon			
Configuration Total:			\$130,871.00

Summary

All amounts are displayed in USD

Equipment Totals (includes "Other Charges")	Qty	Each	Extended
410J BACKHOE LOADER	1	\$130,871.00	\$130,871.00
Total Equipment Group Price:			\$130,871.00
Additional Charges			
State of Michigan 36% Discount:		+/-	(\$47,114.00)
F/R Spare Wheels		+/-	\$1,460.00
Manuals		+/-	\$75.00
5Yr/5000Hr Ext. PT/Hyd Warranty:		+/-	\$5,050.00
Trade In 215E 469031 # 344		+/-	(\$16,000.00)
Trade In 215E 472625 # 345		+/-	(\$17,500.00)
Total Additional Charges:			(\$74,029.00)
			(\$56,529.00)

Additional Information

Customer Comments

Total Delivered Price:~~-\$56,842.00~~

\$74,342.00

Price and availability subject to change without notice. Taxes, extended warranty and freight charges are extra. Some additional charges may apply.

**Purchase Order to be issued to: JDE Equipment Company
56555 Pontiac Trail
New Hudson, MI 48165**