



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Purchase of 1994 Articulating Wheel Loader for Street Division (\$69,440)

MEETING DATE: June 21, 1995

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council adopt the attached resolution to purchase a 1994 Demonstrator 1.3 Cubic Yard Articulating Wheel Loader for the Street Division of the Public Works Department from Reed Equipment Co., Stockton, California, in the amount of \$71,440.

BACKGROUND INFORMATION: Funds to purchase an Articulating Wheel Loader were approved in the attached Special Allocation. This Special Allocation gives the history of the replacement requests related to this unit. Staff contacted four vendors by telephone and requested written bids for either a new 1995 unit or a demonstrator/used 1994 unit. Only three of the four vendors submitted bids and only one vendor has a demonstrator/used 1994 unit available for sale. The attached bid tabulation itemizes the following bids:

Reed Equipment, Stockton	\$71,439.59
Barnes Tractor & Equipment, Fernbridge	\$87,573.81
Reed Equipment, Stockton	\$88,355.00
Empire Equipment, Sacramento	\$93,096.00

The lowest bid from Reed Equipment is for a John Deere 244E Articulating Wheel Loader 1994 Demonstrator Unit with approximately 65 hours logged. This demonstrator unit comes with a full factory warranty and is available for immediate delivery. All other bids listed, including Reed Equipment's second bid, are for new 1995 units. Based on receiving a full factory warranty together with the savings of \$16,000, it is recommended that the City purchase the 1994 demonstrator unit. With the summer season approaching, it is important that this unit be replaced as soon as possible. If we wanted the 1995 unit, we would also have to go through formal bidding.

This Loader replaces the Street Division Tractor Loader Unit No. 04040. The trade-in value of Unit No. 04040 is \$2,000. Reed Equipment has deducted the trade-in value from their bid. Total purchase price will be \$69,439.59.

FUNDING:	Originally Budgeted:	Special Allocation
	Budgeted Fund:	Equipment Replacement
	Current Appropriation:	\$75,000.00
	Total Bid:	\$69,439.59


 Jack L. Ronsko
 Public Works Director

Prepared by George Bradley, Street Superintendent
JLR/GMB/dsg

Attachments

- cc: City Attorney
- Purchasing Officer
- Building and Equipment Maintenance Superintendent
- Equipment Maintenance Supervisor
- Street Superintendent

APPROVED: _____



THOMAS A. PETERSON
City Manager



recycled paper

CITY OF LODI
SPECIAL ALLOCATION REQUEST

#108
08-95

TO: FINANCE DIRECTOR
CITY MANAGER
FROM: PUBLIC WORKS DIRECTOR

DATE: April 25, 1995
ACCOUNT NUMBER: 12.0-000.00-500
00:0-000.00-000

Request is made for funds not included in the current budget for the replacement purchase of a Tractor Loader for the Street Division.

PROJECT DESCRIPTION AND JUSTIFICATION

ESTIMATED COST

Street Division requests funds to replace Tractor Loader No. 04040.
This fully-depreciated 1982 Case 580 C Unit has an hour meter reading of 3,443.0 hours and is fully depreciated. This unit is used on a daily basis.

\$75,000

This unit was purchased for \$16,465 and has accumulated repair costs of \$49,030. It is now in need of a complete overhaul, estimated to cost a minimum of \$20,000. It is currently out of service.

Replacement unit has been requested in the last two budget cycles. Budget restrictions mandated postponement of a replacement unit until Unit No. 04040 was beyond reasonable repair. Requested in 93-94 & 94-95 budget denied.

This size tractor is being phased out of the industry and all new models have been downsized. Street Division demands necessitate an upgrade in size. This upgrade would be a four-wheel drive with articulating steering, and a one-yard minimum 4-in-1 bucket. This allows for increased maneuverability and increased productivity due primarily to 25% increase in bucket size.

New units list around \$80,000, not including discounts to government agencies. Purchasing a current year demonstrator unit would reduce the cost between \$6,000 to \$10,000. Demo units are available for immediate delivery and usually come with full factory warranty. Unit 04040 will be traded in with this purchase, however no trade-in value was applied in to insure sufficient funding.



Jack L. Ronsko
Public Works Director

(If you need more space, use additional sheet and attach to this form.)

Date of Approval 5/18/95
Council _____

Amount Approved \$75,000
City Manager X

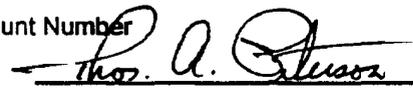
FUND OR ACCOUNT TO BE CHARGED

Current Budget \$ _____
Contingent Fund \$ _____
Capital Outlay Reserve \$ _____
Utility Outlay Reserve \$ _____

Prior Year Reserve \$ _____
General Fund Surplus \$ _____
Reimbursable Account \$ _____
Other: (Specify) \$ _____
12.0 - 69.0 \$ 75.00



Dixon Flynn, Finance Director

Account Number 12.0-000.00-500


Thomas A. Peterson, City Manager

Submit this form in duplicate to the Finance Director. Distribution after approval will be as follows: 1) Originating Department
2) Finance Department

RECEIVED
JUN - 1 1995
CITY OF LODI

Bid Tabulation

John Deere 244E Articulating Wheel Loader
New 1995 Unit or Demonstrator/Used 1994 Unit

**Reed Eqpt. Co.,
Stockton**

Unit	\$ 66,301.25
Tax	\$ 5,138.35
Total	\$ 71,439.60

1994 Demo Unit

**Barnes Tractor & Eqpt.
Co., Fernbridge**

Unit	\$ 81,275.00
Tax	\$ 6,298.81
Total	\$ 87,573.81

New 1995 Unit

**Reed Eqpt. Co.,
Stockton**

Unit	\$ 82,000.00
Tax	\$ 6,355.00
Total	\$ 88,355.00

New 1995 Unit

**Empire Eqpt. Co.,
Sacramento**

Unit	\$ 86,400.00
Tax	\$ 6,696.00
Total	\$ 93,096.00

New 1995 Unit

**Holt Brothers Eqpt.
Co., Stockton**

Unit	\$ -
Tax	\$ -
Total	\$ -

No Bid

Empire Equipment Co., and Barnes Tractor & Equipment Co. do not have a used or demonstrator unit available for sale at this time.

Holt Brothers Equipment Co. chose not to bid on this equipment.

RESOLUTION NO. 95-80

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING THE PURCHASE OF 1994 ARTICULATING WHEEL LOADER
FOR STREET DIVISION

WHEREAS, Lodi Municipal Code, Section 3.20.070, authorizes dispensing with bids for purchases of supplies, services or equipment when it is in the best interests of the City to do so; and

WHEREAS, the Street Division wishes to replace Tractor Loader No. 04040, a 1982 Case 580 C Unit with an hour meter reading of 3,443.0 hour which is fully depreciated; and

WHEREAS, Tractor Loader No. 04040 was purchased for \$16,465 and has accumulated repair costs of \$49,030 and is now in need of a complete overhaul estimated at a minimum cost of \$20,000; and

WHEREAS, staff solicited four vendors by telephone and requested written bids for a new 1995 unit or a demonstrator/used 1994 unit and tabulations of those bids as follows:

Reed Equipment	Stockton	\$71,439.59
Barnes Tractor & Equipment	Fernbridge	\$87,573.81
Reed Equipment	Stockton	\$88,355.00
Empire Equipment	Sacramento	\$93,096.00

WHEREAS, the lowest bid from Reed Equipment is for a John Deere 244E Articulating Wheel Loader 1994 Demonstrator Unit with approximately 65 hours logged which comes with a full factory warranty and is available for immediate delivery; and

WHEREAS, it is the recommendation of staff to purchase the John Deere 244E Articulating Wheel Loader 1994 Demonstrator Unit at the cost of \$71,439.59; and

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council hereby approves the purchase of one John Deere 244E Articulating Wheel Loader 1994 Demonstrator Unit from Reed Equipment Company of Stockton, California in the amount of \$71,439.59.

Dated: June 21, 1995

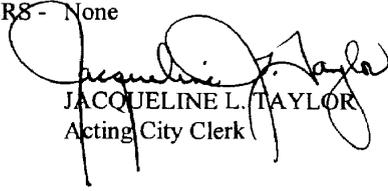
I hereby certify that Resolution No. 95-80 was passed and adopted by the City Council of the City of Lodi in a regular meeting held June 21, 1995, by the following vote:

AYES: COUNCIL MEMBERS - Davenport, Pennino, Sieglock, Warner and Mann (Mayor)

NOES: COUNCIL MEMBERS - None

ABSENT: COUNCIL MEMBERS - None

ABSTAIN: COUNCIL MEMBERS - None


JACQUELINE L. TAYLOR
Acting City Clerk