

AGENDA REPORT

TO: Mayor & City Commission
FROM: Ken Hibl, City Manager
DATE: September 30, 2009
RE: Tractor Purchase



For the Agenda of October 5, 2009

Background. As the City Commission is aware, the City Staff previously provided a recommendation(s) regarding the purchase of a new tractor for sidewalk snow removal and right-of-way mowing. The Commission requested (*see copy of att'd Resolution 2009-027*) the solicitation of new bids for farm/commercial tractor equivalent machines from local vendors to replace the Holder.

The City solicited bids from three local vendors (*see copy of att'd bid memo*) for comparably equipped and performance-rated farm/commercial tractors with comparable attachments, the low bid being received from Bader & Sons, Company of Mt. Pleasant for a New Holland tractor.

The City Commission is asked to consider and approve the purchase of a tractor to replace the Holder and to be used for sidewalk snow removal and right-of-way mowing operations.

Issues & Questions Specified. Should the City Commission approve the purchase of a new tractor?

Alternatives.

1. Approve the purchase of a tractor and equipment from the low bidder.
2. Approve the purchase of a tractor and equipment from a vendor other than the low bidder.
3. Purchase a new Holder to replace the aging Holder.
4. Rehabilitate the existing Holder.
5. Do not purchase a new tractor.
6. Do not adopt the proposed resolution of support.
7. Set aside decision regarding this matter to a later date.

Financial Impact. The fiscal impact is dependent upon the alternative selected. The 2009/2010 adopted budget includes an \$18K appropriation to purchase a new Holder over time (\$18K per year for the next five years). Consequently, if the Commission opts to replace the current Holder and purchase a farm tractor with attachments from the low bidder, a \$6,525 budget amendment will be required to appropriate additional funds in the capital equipment expenditure line of the Mobile Equipment Fund of the current budget; if the Commission elects to purchase a tractor from either of the other two bidding vendors, a \$8,265 or \$9,357 additional appropriation, respectively, will be required; if a new Holder is purchased, no budget amendment or additional appropriation

is required this year, but the City will be obligated to budget and expend \$18K annually for the next four annual budget appropriation cycles; if the Commission opts to rehabilitate the Holder, an \$18K (potentially – depends on final costs) budget amendment will be required; and if a decision is made not to purchase a tractor, the \$18K appropriation can be set aside for future capital expenditure use and/or repairs of the currently-owned Holder if needed.

Recommendation. I respectfully continue to recommend that the City Commission approve the purchase of a new Holder to replace the existing tractor by adoption of Resolution 2009-103, which will be completed, appropriately recorded, and filed based upon the decision of the Commission.

I offer the following rationale for my recommendation: The Holder is specifically designed and built from the ground up strictly to accomplish municipal operations, to include sidewalk and parking lot snow removal operations in tight/confined spaces and in proximity to buildings, parked vehicles, light poles, garbage cans, and other similar obstacles within the downtown, residential, and other commercial districts of a municipality – the commercial/farm tractors are not. The Holder is tried and proven in the municipal role; the commercial/farm tractors are not. My comments are not meant to insinuate that the performance or quality of the commercial tractors is sub-standard because all models of tractors offered in the bids are excellent for farm and commercial operations and applications. But we are not performing farm or commercial operations; we are performing municipal operations, and there is a difference. Our DPW operators present at the September 8th meeting specifically stated that the City previously attempted to remove snow from sidewalks in the City, to include the downtown district, with a commercial tractor similar to those bid and found the tractor to be inadequate to properly accomplish the job; our DPW Director, who has 36 years of hands-on municipal experience, does not believe that the commercial tractors will perform to the standards that we have specified, and neither do I. It's a simple case of the old adage of not going to a gun fight armed with a knife. Consequently, if we purchase one of the commercial tractors and it proves to be inadequate for the tasks we have to perform, we will have expended (and I suggest essentially wasted) \$24K - \$27K. Similarly, I do not recommend rehabilitation of the Holder because there are major power and drive train components of this aging tractor that are not included in the rehabilitation costs and could still easily fail, thereby leaving us without a tractor to accomplish the required tasks after expending up to \$36K. One of the vendors also offered us an alternate bid of a tractor that has power comparable to that of a new Holder while maintaining the narrow width of the tractor we need, thus eliminating the concern of potentially inadequate power that was mentioned in earlier meetings. However, this tractor was designed to be used in orchards and is similarly not a proven performer in municipal operations, thus could possibly prove inadequate after an expenditure of nearly \$47K.

If the City Commission opts not to accept my rationale outlined above as valid, my alternate recommendation would be to continue using our existing Holder and not expend any funds this year with the understanding that if our Holder becomes inoperative, we are out of the sidewalk snow removal business until we can have the tractor repaired and

back in operation. Concurrently, this alternate recommendation precludes spending money on equipment that may not perform as we need/desire it to perform but also requires that we address the issue of our aging tractor again either next or in subsequent years.

Attachments.

1. Bid Memo.
2. Resolution 2009-103 – not att'd but will be completed to complement the Commission's decision on this matter.

RESOLUTION 2009-027

A RESOLUTION OF THE CLARE CITY COMMISSION DIRECTING THE SOLICITATION OF BIDS FOR THE PURCHASE OF A NEW TRACTOR.

WHEREAS, City currently owns a 1997-vintage Holder tractor; and

WHEREAS, said tractor is the City's most-used single piece of major equipment as it is used year-around for multiple tasks, to include being the City's primary tractor for clearing snow from the City's sidewalks; and

WHEREAS, the City Staff has made a recommendation that they tractor be replaced as the maintenance "downtime" and cost of repairs for said equipment has increased significantly during the past two year period; and

WHEREAS, the City Staff has solicited demonstrations of specialty tractors similar to the Holder and has determined that the most cost-effective purchase option is a new Holder as the various specialty attachments (mowers, snow blowers, brooms, etc.) that fit the current Holder will continue to fit a new Holder; and

WHEREAS, the City Commission desires to consider other options other than the purchase of a new Holder tractor due to the cost of said tractor.

NOW THEREFORE BE IT RESOLVED THAT the City Commission of the City of Clare hereby directs that bids be solicited from local vendors to purchase a small, general-purpose tractor with the necessary attachments to serve as the City's primary sidewalk snow removal equipment and to serve the purpose of mowing public rights-of-ways.

This Resolution was introduced by Commissioner John Koch and supported by Commissioner Tom Koch. The Resolution declared adopted by the following roll call vote:

YEAS: Jean McConnell, Tom Koch, John Koch and Pat Humphrey.

NAYS: Bill Horwood

ABSENT: None

Resolution approved for adoption on this 8th day of September 2009.



Diane Schmidt, City Clerk

Utility Tractor Bid Tabulation
Bids due: Tuesday, September 29, 2009 at 2:00 p.m.

AMOUNT OF BID:	MACHINE BEING BID:	BIDDER'S NAME & ADDRESS
\$26,265.00	Kubota B2920	Capital Equipment of Clare – BID #1 302 North McEwan Street Clare, MI 48617 989/386-2192
\$46,700.00	Kubota 8540 85 H.P. – 48” <i>Use with existing Holder attachments</i>	Capital Equipment of Clare – BID #2 302 North McEwan Street Clare, MI 48617 989/386-2192
\$24,525.00	New Holland Boomer 1030	Tilmann Hardware Beal City 1963 North Winn Road Mt. Pleasant, MI 48858 989/644-2252
\$27,357.00	John Deere 2720	Bader & Sons Co. Attn: Dave Meyers 2266 Northway Drive Mt. Pleasant, MI 48858 989/779-1707

Sealed bids were opened on Tuesday, Sept. 29, 2009 at 2:00 p.m. by
 Bob Bonham, DPW Director, and Cathy Davis, DPW Secretary.

MEMORANDUM

TO: Ken Hibl, City Manager
FROM: Bob Bonham, Superintendent
Department of Public Works
DATE: September 29, 2009
SUBJECT: Utility Tractor Bids

We recently advertised to purchase a utility tractor with the following attachments: 5' Brush Hog; 60" Power Angle Front Blade; 52" Maximum 2-Stage Snow Blower; 60" Maximum Power Angle Rotary Broom; 52" Maximum V-Plow; and 60" Finish Mower.

Three bids were received that met these specifications:

Capital Equipment Clare, MI	Kubota 2920	\$26,265.00
Tilmann Hardware Beal City, MI	New Holland Boomer 1030	\$24,525.00
Bader & Sons, Co. Mt. Pleasant, MI	John Deere 2720	\$27,357.00

Capital Equipment also submitted an alternate bid for a Kubota 8540, 85 H.P. 48" wide that can be used with the existing Holder attachments.

It is still my recommendation that we purchase a new Holder.

BB:cd

Attachment: Bid Tabulation