



TO: Mayor Shaun Sipma
Members of the City Council

FROM: Jason Sorenson

DATE: January 29, 2019

SUBJECT: PURCHASE OF SKID STEER LOADERS (PROJECT NUMBER 4414)

I. RECOMMENDED ACTION

1. Recommend council award the bid to Swanston Equipment for the purchase of two new Bobcat skid steer loaders at the bid price of \$43,890 including the trade-in of two Case skid steer loaders.

II. DEPARTMENT CONTACT PERSONS

Dan Jonasson, Director of Public Works 857-4140
Jason Sorenson, Assistant Director of Public Works 857-4140

III. DESCRIPTION

A. Background

On Tuesday, January 29, 2019, bids were opened for the purchase of two new skid steer loaders for the Street Department. Three bids were received, and they are tabulated below:

<u>Bidder Name</u>	<u>Make/Model</u>	<u>Base Bid w/ Trade</u>	<u>Exchange Price</u>
RDO Equipment	JD 330G	\$50,000	\$18,000
RDO Equipment	JD 324G	\$41,000	\$16,000
Swanston Equipment	Bobcat S650	\$43,890	\$11,000
Acme Tools	Kubota SSV75	\$37,186	\$20,000

The basis of award for these units is the lowest cost machine after trade-in plus the cost of the annual exchange. After the initial purchase of these machines in 2019, the intent is to exchange them annually as we do with the other skid steers in our fleet. This has greatly reduced downtime in the department since these machines are new every year with warranty coverage. Depending on how many hours are on each machine there are different levels for exchange. In the end, we are paying about \$5.50 to \$7.00 per hour to have new units with warranty each year. The units bid by Swanston Equipment meet or exceed the specifications for this bid.

B. Proposed Project

N/A

C. Consultant Selection

N/A

IV. IMPACT:

A. Strategic Impact:
N/A

B. Service/Delivery Impact:
NA

C. Fiscal Impact:

Project Costs

Bid Price for 2 Bobcat S650	\$83,890.00
Trade-in	\$40,000.00
Net Cost	\$43,890.00

Annual Exchange	301 – 450 hours	\$2,500
	451 – 600 hours	\$3,500
	601 – 750 hours	\$4,500
	751 – 1,000 hours	\$5,500

Project Funding

Funding in the amount of \$50,000 was included in the 2019 Street Department capital purchases budget.

V. ALTERNATIVES
N/A

VI. TIME CONSTRAINTS
N/A

VII. LIST OF ATTACHMENTS