



	Approved	Denied
Date Action Taken:	11/26/07	
Other:		
Verified by:	<i>W. Miller</i>	

WASILLA CITY COUNCIL ACTION MEMORANDUM

AM No. 07-67

TITLE: AUTHORIZATION FOR THREE (3) YEAR CLOSED END LEASE OF A NEW 2007 MOTOR GRADER FROM CONSTRUCTION MACHINERY, INC., IN THE AMOUNT OF \$4,265.57 PER MONTH.

Agenda of: November 26, 2007

Date: November 14, 2007

Originator: William A. Miller, Purchasing Officer

Route to:	Department	Signature/Date
	Police Chief Youth Court, Dispatch, Code Compliance	
	Culture and Recreation Services Director Library, Museum, Sports Complex	
X	Public Works & Recreation Facility Maintenance Director	
X	Finance, Risk Management & MIS Director Purchasing	<i>Dianne M. Keller 11-15-07</i>
X	Deputy Administrator Planning, Economic Development, Human Resources	<i>J. Harley 11-15-07</i>
X	City Clerk	<i>W. Miller</i>

REVIEWED BY MAYOR DIANNE M. KELLER: *J. Harley for the Mayor*

FISCAL IMPACT: yes \$51,186.84.00 or no Funds Available yes no
 Account name/number: 001-4320-432.40-40 Public Works – Roads – Rentals
 Attachments: Bid Abstract for 0681-0-2008/WM

SUMMARY STATEMENT: In accordance with WMC 5.08.120, on October 24, 2007, the City of Wasilla issued Invitation to Bid 0681-0-2008/WM for a three year closed end lease of a new motor grader for the Department of Public Works, Roads Maintenance Division.

Bids were received from two firms: Construction Machinery, Inc., and NC Machinery. As NC Machinery is located within the city limits, they qualified under Wasilla Municipal Code 5.08.190 for a local contractor preference. However, even with the 2-1/2% local contractor preference bid adjustment, they still were not the low bidder. The monthly price bid for the lease of a new 2007 motor grader from NC Machinery with the 2-1/2% bidder preference deduction was \$5,070.00 whereas the total bid price for a like motor grader from Construction Machinery, Inc., was \$4,265.57. This lease includes a full

three (3) year warranty and the only operating expense for the grader for the City will be fuel and normal maintenance items such as lube, oil, filters, etc.

The objective of this procurement is to add a grader to the existing fleet due to the additional snow removal and grading which has resulted from annexation and addition of streets and roads.

GRADER SPECIFICATIONS

The City of Wasilla is seeking bids from qualified dealers for a 3-year closed end lease of a motor road grader as specified below. It shall be the intent of this bid to select a heavy equipment dealer to provide the above mentioned fleet heavy equipment to be used primarily for road maintenance and snow removal operations. The City shall not exceed 6,000 hours on the unit over the three (3) years period of possession. Unit will be built and designed to pass ANSI/SAE safety requirements and testing. Engine emissions will be in strict compliance with all current state and federal EPA codes.

MINIMUM REQUIREMENTS TO BID: The dealer must meet the following applicable requirements:

1. Possession of current State, Borough and City business licenses.
2. Must be a manufacturer(s) authorized warranty service dealer for the unit.
3. Bids shall be accepted for the following units:
 - a. Option #1: Units must be new, currently in production, and of the manufacturer's current standard design and manufacture. New is defined as not more than one hundred (100) hours of actual service.
 - b. Option #2: Units shall be used, 2004 or newer with less than 2500 hours.

APPLICATION: To be used by the Public Works Department on continuous duty in weather conditions typical of the greater Wasilla area. No advertising of any kind may be placed on the vehicle or attached equipment such as splash guards, etc.

UNIT TYPE: Road Grader, All-Hydraulic, Articulated Frame, Tandem Drive

MAKE/MODEL: Caterpillar 140H, John Deere 770D, Volvo G940 or equal

1. **Annual Hours:** 2000 hours of use per year shall be utilized for lease pricing determination.
2. **Operating Weight:** 32,000 pounds minimum
3. **Engine:** Minimum 165 SAE net horsepower @ 2200 rpm, liquid-cooled diesel engine; turbocharged to allow efficient operation at all ranges of altitude to 10,000 ft.
 - a. Unit shall be liquid cooled, of sufficient capacity to provide for efficient cooling of motor when idling for long periods of time, or pushing heavy loads; and cooling system filled with sufficient ethylene glycol-based antifreeze to protect system to -50 Deg. F.
 - b. Engine shall be equipped with an engine coolant heater.
 - c. Either a glow plug or screen shall be incorporated.
4. **Transmission:** Shall be a full power shift with no clutching required for gear or directional changes.
 - a. Forward travel speed capability shall be in excess of 25 mph.

- b. Transmission shall have electronic over speed protection.
- 5. **Final Drive:** Shall be planetary gear-type at rear tandems.
- 6. **Differential Lock/Unlock:** Shall be hydraulically or electrically actuated.
- 7. **Brakes:** Air actuated or hydraulically operated multiple oil-disc brakes. Brake system shall meet OSHA regulations.
 - a. Parking brake shall meet or exceed SAE J1473 parking brake standard.
 - b. Engaged parking brake shall disengage the transmission.
- 8. **Steering:** Front wheels, full hydraulic power. Frame articulation, hydraulically actuated. Maximum turning radius not more than 24'7". The steering hydraulic system shall use relief valves to dump pressure when the steering is put against either direction stop.
- 9. **Electrical System:** Shall be manufacturer's standard with either 12-volt double battery or 24 volt single battery.
 - a. Electrical system must have a master disconnect switch with a removable key.
 - b. Machine shall have 24-volt system with a minimum 70-amp alternator and a 24 to 12-volt 10-amp minimum converter. Electrical system shall include electric horn, audible reverse warning alarm, two (2) high-output halogen driving lights, two (2) front and rear work lights, two (2) blade lights, two (2) rear stop lights, and two (2) front and rear turn signals.
- 10. **CAB:** Fully enclosed, ROPS, with heating, air conditioning and sound suppression. Cab shall meet SAE J1040C standards and OSHA and MSHA requirements for operator sound exposure limits. Cab shall be equipped minimally as follows:
 - a. Windshield washers and wipers, front and rear, and wipers on lower windows to improve visibility.
 - b. Defroster fans front and back.
 - c. Heating ducts to warm operators foot area.
 - d. Dome light.
 - e. Tinted safety glass.
 - f. Floor mat.
 - g. Outside rear-view mirror, both sides.
 - h. Standard manufacturer's gauge/dial group.
 - i. Deluxe vinyl or cloth adjustable air suspension seat with armrests.
 - j. Adjustable steering wheel and control panel.
 - k. An AM-FM radio w/speakers shall be installed.
- 11. **Hydraulic System:** Closed center, pressure controlled or proportional priority pressure compensated hydraulic system with an output of not less than 50 gpm at rated engine speed.
 - a. Auxiliary function hydraulic valves for front and rear mounted equipment.
 - b. Blade controls shall be full hydraulic.
 - c. Lock valves integrated into all implement circuits to prevent drift.
 - d. Blade cylinders shall have floating capability.
- 12. **Circle:** Shall be of manufacturer's standard design; 60 diameter minimum, compatible with all associated components. Circle shall be capable of:
 - a. Rotation of 360 degrees.
 - b. Hydraulically driven with hydraulic side shift and hydraulic up.

- c. The circle shall be supported by the drawbar using six support shoes providing vertical and horizontal adjustments.
 - d. A circle drive slip clutch shall be provided to reduce impact damage.
- 13. Moldboard:** Shall incorporate hydraulic side shift and tilt controls, and blade float control; with dimensions of:
- a. Moldboards of 14' x 24" x .88".
 - b. Bolt-on cutting edges minimum 5/8" x 8"
 - c. Slide rails shall be hardened continuously welded and have replaceable alloy-wear inserts top and bottom.
- 14. Snow gate:** Hydraulically actuated.
- 15. Ripper:** Three (3) shank, rear-mounted hydraulic ripper assembly, capable of approximately 14 inches penetration and an approximate 8' width of cut.
- a. Shall include a full set of ripper shanks and pin-type teeth compatible with ripper attachments.
- 16. Push Block & Counter Weight:** Front mounted push block and counter weight assembly providing manufactures recommended weight distribution for use of grade with rear-mounted ripper.
- 17. Attachments:** Motor grader shall be manufactured with all required safety and lighting features, including those necessary for highway travel and work after dark. Some features include, but are not limited to, the following:
- a. OSHA approved back-up alarm.
 - b. Manufacturer's standard light group plus cab and bar mounted lights, including front and rear work lights.
 - c. Strobe warning beacon, amber, Lectric Light Co. model LL-800 or City of Wasilla approved equal.
 - d. Cold weather starting aid.
 - e. SMV symbol.
 - f. Brakes, lights, back-up alarm, and all other equipment required to meet or exceed OSHA, DOT and local, state and federal safety regulations.
 - g. Fuel capacity of minimum 85 U.S. gallons.
- 18. Tire Size and Type:** 14.00-R24 Radial or larger
- 19. Miscellaneous:**
- a. One (1) each operator's manual, training manual, service manual and parts manual.
 - b. Initial training shall be included in the lease price.
- 20. Pre-delivery Inspection** Prior to delivery, each vehicle shall be serviced and inspected by the dealer. A certification of this inspection must include the following (as applicable to the type of equipment):
- a. Dealer and vehicle identification.
 - b. Check-off of service and inspection performed including a list of all fluids including type weight and specification that are in the equipment as delivered for all fluid compartments.
 - c. The vehicle's crankcase, differential and transmission, and other fluid compartments shall be filled to the manufacturer's recommended capacity.
 - d. Fuel tank shall be filled to at least register a minimum ¼ full on the fuel gauge, unless restricted by the commercial carrier, when the vehicle arrives at the delivery location.

- e. The vehicle shall be clean and free from defects when delivered and should be ready for immediate and continued use upon delivery.
- f. Units delivered in an incomplete state, or those have deficiencies per the specification, are subject to the damage charges as noted in paragraph h above.

21. Warranty: All equipment offered shall include a three (3) year manufacturers warranty to cover the equipment for three (3) years from date of delivery or acceptance by the City of Wasilla. The intent shall be that the equipment is covered by the manufacturers warranty for the entire period of possession by the City. Response time will be no later than 24 hours of reported deficiency. Bidder will provide a comparable machine, at no charge, if the purchased machine is inoperable for more than 72 hours, due to unavailability of parts or failure of workmanship by the dealer.

22. Location of repair facility: During the term of the lease, the successful bidder shall maintain a repair/service facility or contract for such services within the Greater Wasilla area, and to agree to bear financial responsibility for the transportation costs of the equipment to and from the bidder's nearest repair facility for the purpose of warranty repairs that cannot be made in the field.

23. Lease Financing: It shall be the sole responsibility of the bidder to obtain a lender for lease financing prior to bid submission. Said source must be acceptable to City of Wasilla and listed on bid sheet upon submission of bid along with a copy of lease contract. Failure to provide this information by the bidder may result in forfeiture of bid. At time of award of a purchase order to the bidder selected by the City of Wasilla, an authorized representative of the bidder's firm will sign the lease document agreement.

24. General Conditions & Limitations: The following conditions will be in effect for a general lease agreement between the City of Wasilla (here as known as City) and the equipment supplier (here as known as the bidder).

- a. The City agrees the use of this machine will be for its use only and will be operated only by trained City personnel.
- b. The City will operate and maintain the machine in accordance with the procedures described in the manufacturer's operation and maintenance guides.
- c. The City will assume responsibility for all repair costs resulting from damage due to fire, windstorm, flood and rising waters, lighting, theft and pilferage, vandalism, accidents, City operator or mechanics' negligence or abuse, and any overtime labor rates charged by the bidder to complete repairs requested by the City on an overtime basis
- d. The City will assume responsibility for all costs associated to repair or replace parts and components normally consumed in day-to-day operations such as: tires, tubes, tire repairs, lubrication and hydraulic oils, filters of all types, grease, fuel, antifreeze, batteries, belts, hoses, headlights, glass breakage, wire rope, cutting edges, scarifier and ripper teeth, and any cleaning.
- e. The City will use only genuine manufacturer's replacement parts when making repairs. If the City utilizes generic replacement parts, the bidder will not guarantee the warranty on those original equipment parts

- damaged by use of the generic parts.
- f. The City will promptly notify the bidder whenever the machine appears to be operating improperly.
 - g. The bidder has the right to inspect the machine during normal working hours and make recommendations for repairs, preventive maintenance and operation practices. Failure by City to take reasonable and appropriate steps to act on these recommendations can void this guarantee.

STAFF RECOMMENDED ACTION: Council is requested to authorize award of a three (3) year closed end lease contract to the lowest responsive and responsible bidder, Construction Machinery, Inc., in the amount of \$4,265.57 per month which is \$51,186.84 per year. The continuation of the Contract beyond the current fiscal year is subject to and contingent upon sufficient funds being appropriated, budgeted, and otherwise made available by the Wasilla City Council. The City may terminate this Contract, and Construction Machinery, Inc., waives any and all claim(s) for damages, effective immediately upon receipt of written notice (or any date specified therein) if for any reason the funding from City, State, and/or federal sources is not appropriated or is withdrawn, limited, or impaired.



CITY OF WASILLA

• Purchasing •

290 East Herring Avenue • Wasilla • Alaska • 99654-7091

Abstract of Bids Received for Bid #: ITB-0681-0-2008/WM

Title: 3-Year Closed End Lease of a Motor Grader for Public Works

Date: November 13, 2007 Time: 2:01 p.m. Location: Wasilla City Hall – Public Works

	Alaska Const Equip, Inc.	Citigroup CitiCapital	Construction Machinery, Inc.	Craig Taylor Equipment	NC Machinery	Tews Excavation	Totalrac Yukon, Inc.
Date Received:	No bid received	No bid received	11/13/2007	11/13/2007	11/13/2007	No bid received	No bid received
New Unit as Defined in Section 3.a. of Addendum #1							
Year/Make/Model:			2007 Volvo G940		2007 Cat 140M		
Number of Hours:			New, 2.0		<100		
Monthly Lease Price for Motor Grader for 36 month lease	No bid received	No bid received	\$4265.57	"No bid"	\$5200.00 (LBP = \$5,070)	No bid received	No bid received
Delivery Date:			60 – 90 days		2/01/2008		
Name of Selected Lease Vendor:			Volvo Financial		Caterpillar Financial		
Used Unit as Defined in Section 3.a. of Addendum #1							
Year/Make/Model:			2006 Volvo G970		2004 Cat 140H		
Number of Hours:			1100		<2500		
Monthly Lease Price for Motor Grader for 36 month lease	No bid received	No bid received	\$4106.66	"No bid"	\$4200.00 (LBP = \$4,095)	No bid received	No bid received
Delivery Date:			30 days		12/15/2007		
Name of Selected Lease Vendor:			Volvo Financial		Caterpillar Financial		
Local Bidder Preference (LBP)			No		Yes		
Award Bid To:			X				