

Memorandum #10-47

To: Doug Russell, City Manager
From: Dave Leyden, Public Services Manager
Subject: Bid award for a New 2011 Model 56,000 GVW 6x4 Class Truck for the Public Services Department
Date: March 30, 2010

Bids were received for a new 2011 Model 56,000 GVW 6x4 Class Truck. The bids received are listed below for the specified equipment.

<i>Bidder Name</i>	<i>Specified Equipment Cost</i>
Great Plains International of Sioux Falls, Inc. Sioux Falls, SD 57104-0449	\$86,225.00
Truck-Trailer Sales & Service, Inc. Yankton, SD 57078	\$86,975.00

During the budget process for 2009 Capital Expenditures, funding for a replacement truck was approved for the Department of Public Services, Street Division. Purchase of this equipment was delayed in 2009 due to less than favorable economic conditions which warranted a contingency plan to be implemented to prudently monitor capital spending. The proposed purchase of the truck will be covered from funds carried over from last years budgeted capital funds.

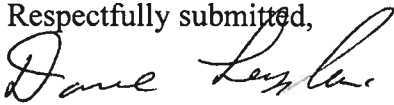
As mentioned previously, this is a replacement truck. The truck that is to be replaced is unit #5, a 1997 International truck with dump body box. As is the case with all Street Division trucks, the use has been quite extensive and varied as is commonly required for street maintenance and snow removal operations. Replacement of this equipment is in accordance with the approved equipment replacement plan of twelve (12) years and will be declared surplus for disposal at the next City vehicle auction.

The bids received were competitive and higher than what the City purchased one for two years ago. This increase in cost is primarily due to the manufacturers meeting more stringent Federal Emissions Standards and the increased price of steel. In addition to the cost of the truck, an additional cost will be incurred for the purchase of a dump body box which will be mounted on the truck. Official quotes for the purchase of the dump box will be obtained with the approval of Memorandum #10-47, estimated cost of dump body box is \$19,000.00.

Both bids received meet the City's specifications. Therefore, City Staff recommend that the 2011 Model 56,000 GVW 6x4 truck bid for \$86,225.00 be awarded to Great Plains International, Sioux Falls, South Dakota. There is \$95,000.00 budgeted for the truck and dump body box. The bid price for the replacement truck was \$86,225.00, estimated cost of dump body box is \$19,000.00 for a total of \$105,225.00, which is \$10,225.00 above the budgeted amount. This increase over the amount budgeted will be compensated through anticipated savings through a future capital purchase of a 1-ton truck, which is also a carryover item from last year. The cost of the truck and dump body box will come out of the Street Division Capital Fund.

I have discussed this recommendation with the Director of Public Services and have received his concurrence on this matter.

Respectfully submitted,



Dave Leyden
Public Services Manager

Recommendation: It is recommended that the City Commission approve Memorandum #10-47 to award the bid for a New 2011 Model 56,000 GVW 6x4 class truck to Great Plains International of Sioux Falls, Inc. of Sioux Falls, South Dakota in the amount of \$86,225.00 for the Department of Public Services, Street Division.

I concur with this recommendation
 I do not concur with this recommendation



Doug Russell
City Manager

cc: Kevin Kuhl