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City of West Allis

Matter Summary

7525 W. Greenfield Ave.
West Allis, WI 53214

File Number	Title	Status
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R-2011-0126 Resolution Introduced

Resolution relative to accepting the sole source proposal of Fabco Equipment, Inc. for furnishing and delivering one (1) Caterpillar 450E Wheel Loader Backhoe with H90C Hammer for a total net sum of \$157,400.00.

Introduced: 5/17/2011

Controlling Body: Public Works Committee

Sponsor(s): Administration & Finance Committee and Public Works Committee

COMMITTEE RECOMMENDATION adopt

ACTION DATE:	MOVER	SECONDER		AYE	NO	PRESENT	EXCUSED
MAY 17 2011	✓	_____	Barczak	✓			
	_____	_____	Czaplewski	✓			
	_____	_____	Kopplin				
	_____	_____	Lajsic				
	_____	_____	Narlock				
	_____	_____	Reinke				
	_____	✓	Roadt	✓			
	_____	_____	Sengstock	✓			
	_____	_____	Vitale				
	_____	_____	Weigel	✓			
		TOTAL		5			

SIGNATURE OF COMMITTEE MEMBER

Kust Kopplin
 Chair Vice-Chair Member

COMMON COUNCIL ACTION Adopt

ACTION DATE:	MOVER	SECONDER		AYE	NO	PRESENT	EXCUSED
5-17-11	✓	_____	Barczak	✓			
	_____	_____	Czaplewski	✓			
	_____	✓	Kopplin	✓			
	_____	_____	Lajsic	✓			
	_____	_____	Narlock	✓			
	_____	_____	Reinke	✓			
	_____	_____	Roadt	✓			
	_____	_____	Sengstock	✓			
	_____	_____	Vitale	✓			
	_____	_____	Weigel	✓			
		TOTAL		10	1		



City of West Allis

7525 W. Greenfield Ave
West Allis, WI 53214

Resolution

File Number: R-2011-0126

Final Action:

Sponsor(s): Administration & Finance Committee and Public Works Committee

MAY 17 2011

Resolution relative to accepting the sole source proposal of Fabco Equipment, Inc. for furnishing and delivering one (1) Caterpillar 450E Wheel Loader Backhoe with H90C Hammer for a total net sum of \$157,400.00.

WHEREAS, The Purchasing/Central Services Division has reported that it has received a proposal for one (1) Caterpillar 450E wheel loader backhoe for the Public Works Department of the City of West Allis; and,

WHEREAS, The Common Council deems it to be in the best interests of the City of West Allis that the proposal of Fabco Equipment, Inc. be accepted; and,

WHEREAS, the Fleet Services Division of the Public Works Department has determined that this contract is inappropriate for competitive selection due to the excavation style boom, which minimize the space needed to function in a safer work zone in congested areas.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Common Council of the City of West Allis that the proposal dated April 20, 2011 submitted by Fabco Equipment, Inc. for furnishing and delivering one (1) new Caterpillar 450E Wheel Loader Backhoe with H90C Hammer for the total net sum of \$157,400.00 be and is hereby accepted.

BE IT FURTHER RESOLVED, that the Purchasing/Central Services Division be and is hereby authorized to enter into a contract for the aforesaid equipment.

PCSD1129

ADOPTED

MAY 17 2011

Paul M. Ziehler, City Admin. Officer, Clerk/Treas.

APPROVED

5/20/11

Dan Devine, Mayor

MEMORANDUM

TO: Gene Baiuto, Purchasing

FROM: Gordy Paprocki, Fleet Services

DATE: May 5, 2011

SUBJECT: Sole Source Purchase of Tractor Loader / Backhoe

Included in the Water Utilities Capital equipment budget for 2011 are funds in the amount of \$170,000.00 to purchase a replacement tractor loader backhoe with attachments (hydraulic quick coupler, hydraulic hammer, 18" bucket and a 36" bucket).

When we look back to 1990 when we purchased our first CAT 446 tractor loader backhoe, criteria was established then in our operation that separated this machine's performance from all of the competitors, that same criteria holds true today 21 years later. The main distinction is in the excavator style boom design, no other machine in this class (17 feet) in today's market place offers this including the Deere 710J which attempts to mimic the boom design of the CAT machine but in reality doesn't even come close.

Once again we are replacing a machine with an excavator style boom, which by its design has many distinct advantages over a straight boom machine. Because of the curved configuration of the boom, the machine is able to work in close proximity to the trench and the dump truck minimizing the amount of space occupied on the street, which results in a safer work zone in congested areas. The excavator style boom design lends itself to increased truck loading capabilities, which is the primary function of this machine in our Water Utility. Along with truck loading from street cuts and concrete break outs, this machine will also be used for ditch and basin clean out, storm drain and creek grate clean out, and brush and debris loading. All of these operations require the machine to be fully capable of reaching over obstacles such as guardrails, walls, and other fixed objects. This is the distinct advantage and function of an excavator boom.

There have been some changes to the CAT 446 over the years which have added to its capabilities and durability, the most recent and impressive is the change to the extendable stick which has dramatically increased its durability to the impact it is exposed to while using the hydraulic hammer for concrete breakout. The other notable change is the model designation, the machine is now the 450E, still same basic machine though.

I did get a price quotation from Fabco our local CAT dealer for the purchase of a new CAT 450E, the price as quoted by Fabco would be \$ 136,400.00 for the machine, Woods auto-lock coupler and buckets. The other item included in the budget is the hydraulic hammer, which is an integral part of this machine's operation and usage. The price for a new CAT H90C hammer as quoted by Fabco is \$ 21,000.00. However I did

get a price quote on an NPK GH-4 hammer which is the current model that replaces our NPK X4 hammer that came in at \$20,585.00, the problem with this is that Fabco is no longer an NPK dealer so our new machine would have to go to Aring Equipment to have the hammer installed and any problems or warranty issues related to the hammer and it's operation would now be split between the two dealers which in my experience is never a good thing, so for the \$415.00 price difference I feel that it would be money well spent in the long run to keep the entire package with one source in the effort to avoid compatibility issues and any service or warranty situations that may arise.

With all of this being said I would recommend that it would be in the Department's and the City's best interests to move forward with the purchase of the new CAT 450E with the attachments and the CAT H90C hammer as quoted by Fabco for a total price of \$ 157,400.00.

There is one other point that I would like to bring up and that is the disposal of the existing machine and hammer. Historically we have sent our equipment to the Milwaukee County auction for disposal which for the most part works out well, but for niche application equipment not so much. As in the case of this particular piece it is much larger than the typical tractor loader backhoe that the small contractor would be using so it is much less attractive to the normal buyer that attends these auctions so in these cases we would place a reserve on the price and would most likely be bringing unit back or we would let it go for whatever it brings. Some times we get lucky and things come together and the item sells for a good price like the last unit of this type that we sold at auction in 2001 and we managed to get \$ 25,000.00 for it, but the economy is much different today than it was in 2001 so I think we would be hard pressed to get that amount or even sell the unit at all, also don't forget that no matter what we get for it, if it sells we need to deduct the costs associated with the auction which I do believe is some where in the area of 11% which comes right off the top of the sale price!

So with that in mind I took the liberty of having Fabco give us a trade-in price for our machine and hammer. They are willing to give us \$25,000.00 for the machine and \$1,000.00 for the hammer. In today's marketplace I believe these to be fair prices. This also allows us the opportunity to avoid any costs that we would incur trying to dispose of this equipment through other avenues. So here again I would recommend that we trade the equipment in to Fabco as part of the purchase of the new equipment.

If you should have any questions or concerns as always please contact me directly. Your cooperation in this matter is greatly appreciated.