

## MEMORANDUM

**TO:** Gene Baietto, Purchasing

**FROM:** Gordy Paprocki, Fleet Services

**DATE:** September 10, 2012

**SUBJECT:** Sole Source Purchase of Regenerative Air Sweeper

Within the 2013 Capital equipment budget for the Storm Water Utility is \$210,000.00 designated for the purchase of a regenerative air street sweeper . This unit will be replacing a mechanical street sweeper which has reached it's economic life cycle and by mandate of the Clean Water Act must be replaced with a sweeper that meets PM-10 standards for dust emission, which mechanical sweepers do not . In 2008 we purchased our first regenerative air sweeper , at that point in time we did a great deal of research into the types of PM-10 compliant sweepers and found that in our operation the regenerative air machines performed the best and out of those few manufacturers the Elgin Crosswind meet all of our expectations which included but not limited to ease of use and maintenance , operator acceptance , noise emissions , air discharge , heavy material pick up( including wet and dry leaves) and parts / service availability . All the same still holds true today , nothing has changed in regards to the sweeper portion of the unit with the exception of the addition of tier 4 exhaust emission control devices . We used this very same criteria to purchase a second regenerative air sweeper of the same brand, the Elgin Crosswind in 2011 and we will continue to use this criteria in 2013 and beyond. We are now dealing with DPF and DEF systems on this type of equipment as well, along with all of the maintenance issues and added cost that goes with them , no more side stepping those issues. As I mentioned earlier in MY 2013 we will also be dealing with Tier 4 emissions standards for the auxiliary engine as well, this will add as much as \$20,000.00 to the initial purchase cost of these sweepers , it will also add to the cost of future maintenance and repair .

Now that we have established commonality in the sweeper group within the fleet we continue to look at ways that we can save some money on the purchases , one option offered to us was to buy the factory demo unit which made all of the sense in the world in 2008 as well as 2011 . We are once again presented with the option of purchasing the demo unit and saving \$10,000.00 over new , however we have yet another option for saving some funds . This opportunity presents itself in the option to purchase this unit in 2012 which allows us to avoid the additional costs involved with the Tier 4 emissions devices on the auxiliary engine which represent an additional potential savings of \$20,000.00 . The unit I am referring to is a new 2012 Elgin Crosswind which if quoted ( bid ) to us would be priced at \$204,223.00 , with a few demo hours and miles on it is being offered to us at a discounted price of \$ 194,223.00 , a savings of \$10,000.00 . Please keep in mind that if we opt not to take advantage of this and wait until MY 2013

to acquire this unit we will see price increases in the \$20,000.00 range .I have also been provided with recent comparable bid pricing of this sweeper through the Minnesota State Bid contract, with all of the options included the bid price came up \$206,922.00. Based on this information I feel confident that the pricing on this demo unit is fare and reasonable , I there fore recommend that it would be in the Department's and the City's best interest to move forward and purchase this demo Elgin sweeper from Bruce Municipal Equipment as quoted . If you should have any questions or concerns please feel free to contact me directly .