

CITY COUNCIL
COMMUNICATIO
N:

02-567

AGENDA:

NOVEMBER 4,
2002

SUBJECT:

BID #V03-35 –
BACKHOE
REPLACEMENT

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

DONALD M.
TRIPP
PARK AND
RECREATION
DIRECTOR

ITEM 34-D

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

SYNOPSIS —

The Park and Recreation Department requested the Purchasing Division to solicit bids for a backhoe replacement. The low bid was non-compliant. It is recommended that the bid for the backhoe be awarded to the second low bidder Rexco Equipment, Inc, (Steve Smith, President, 5900 SW 56th Street, Des Moines, Iowa 50321).

FISCAL IMPACT —

The replacement cost is \$43,200. The budgeted equipment has a trade-in unit (Unit 1054). The Account Code is 544100; Fund Code IS201; Organization Code FIN20000.

RECOMMENDATION —

Approval.

BACKGROUND —

The specifications in the bid document stated new and current model year. The non-compliant low bidder, Mid-Land Equipment Co., LC, (2901 SE Delaware, P.O. Box 309, Ankeny, Iowa 50021) bid a unit that was both used and not the current year. The unit has roughly 1,600 hours of use and only a very limited warranty. This company also bid a new unit, which at \$49,750 was \$6,550 more than the \$43,200 bid submitted by Rexco Equipment, Inc.

The City's Fleet Administrator does not believe that the City should institute a regular practice of purchasing used equipment because there is no way to verify the hours of use, know how the equipment was used, or have knowledge about how it may have been maintained.

It is also the opinion of the Fleet Administrator that a used piece of construction equipment can be expected to be subject to more maintenance than a new unit. Hoses, pumps, transmissions, bushings, bearings, etc. all have a designed life. As the unit gets older, all of these wear items will require increased maintenance attention.

Finally, the Fleet Administrator believes that there may be individual circumstances when a department is willing to accept used equipment for

initial cost savings. The two most critical are:

- The equipment is only subject to occasional or limited use.
- The City has previously rented the piece of equipment and is knowledgeable about its performance and prior maintenance.

In the case of this used backhoe, the City is not knowledgeable about the piece of equipment. 1,600 hours goes well beyond the qualifier of occasional and limited use.