


Mayor
Alice Ruby

City Manager
Robert Mawson



Dillingham City Council
Kim Johnson
Michael Bennett
Aksel Buholm
Curt Armstrong
Kaleb Westfall
Perry Abrams

MEMORANDUM

Date: May 18, 2023
To: Honorable Mayor and City Council
From: Lori Goodell, Acting City Manager 
Subject: Review of request for Hyster maintenance / repairs

In the May 4, 2023, regular council meeting packet resolution 2023-17 was submitted for council consideration. The resolution authorizes annual maintenance and repairs for the Hyster 800 and 1050, equipment critical for dock operations. Historically this work has been done by Pape Material Handling and the resolution was presented to council with that established relationship in mind.

A representative from Statewide Machinery Inc. (SMI), a local vender, attended the meeting and indicated their company services the equipment used on the dock and would be able to save the City a significant amount on the quote. Also, during the meeting it was noted there seemed to be a lack of detail on the quote submitted. The resolution was postponed allowing time to gather additional information.

SMI was granted access to the Hyster's and submitted a quote of \$128,549.05. Estimate 1008 shows three lines for labor which would "complete repairs in progress."

Pape Material Handling (PMH) was informed the resolution was postponed and invited to provide additional information. A new quote was submitted for \$145,579.84. The quote received lists parts and labor showing increased detail for the work to be done.

Items to consider:

Timing of repair: (No firm date for either company has been secured.)

SMI is local and would be available as their workload allows, no travel involved. Estimate notes work can begin with 2 days of authorization.

PMH will schedule two techs to travel to Dillingham, devoted to project completion within the week of arrival.

Parts:

SMI is not a Hyster dealer, and it is unknown if they will secure factory parts or look at the aftermarket industry.

PMH is a Hyster dealer and guarantees use of OEM factory parts.

Proprietary software:

After replacement of the transmission control valve on the H1050. The transmission software will need to be re-flashed and calibrated. Regardless of who replaces the valve, a factory trained & certified technician with the appropriate software will be required.

These two pieces of equipment are vital to service at the dock. Quick turnaround for maintenance and repairs is critical to uninterrupted dock work. It is important to consider local sources as it can allow for shorter lead time, may decrease costs, and supports the local economy. As most are aware that may not always be the case especially in a remote community located off the road system. In this instance knowledge of equipment (manufacturer rep), and consideration for acquiring of parts are critical to timing of the work as well. With the delay in approval of the work the cylinders no longer available but are on backorder from the factory. As a dealer rep Pape Material Handling will be able to order the parts with a red alert which gives them preference for the first two cylinders that become available.

Additional information.

The difference between the estimates is \$17,030.79.

Pape had originally scheduled this work for the week of May 15, 2023.

SMI is currently working on harbor crane repairs, and float rehabilitation.

PMH knows the equipment intimately, has serviced the two dock Hysters for many years, did a 2022 end of season review, as dealer reps have access to proprietary software and preference for backordered parts.

Recommendation: approve Pape Material Handling for maintenance and repair of the H800 and H1050.