



## AGENDA ITEM SUMMARY FORM

**MEETING DATE:** 9/26

**PREPARED BY:** R. Corey Almas, Director of Public Services

**AGENDA ITEM CONTENT:** DPS - Scheduled Replacement of Loader #409

**AGENDA ITEM SECTION:** Bid Awards/Purchases

**BUDGETED AMOUNT:** \$245,000

**FUNDS REQUESTED:** \$241,851

**FUND:** 101-446-982-0000

**EXECUTIVE SUMMARY:**

The approved FY 2022-23 Budget includes the scheduled replacement of Loader #409, a 2003 Caterpillar (CAT) IT-28G front-end loader with removable 3-yard bucket, forks, and claw, funded through the Streets Division.

**RECOMMENDATION:**

Staff recommends that Council approve the purchase of one Volvo L-70H Front-End Loader, with identified options from Alta Equipment of New Hudson, Michigan, through the Sourcewell Cooperative Purchasing Contract #032119-VCE for a total equipped cost of \$241,851. Funds are budgeted and available for this scheduled replacement and purchase.

## ***MEMORANDUM***

**DATE:** September 19, 2022

**TO:** Melissa R. Marsh, City Manager

**FROM:** Sean P. Ballantine, Public Works Supervisor  
Dan Yamarino, Motor Pool Supervisor  
R. Corey Almas, Director of Public Services

**SUBJECT:** Scheduled Replacement of Loader #409

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The approved FY 2022-23 Budget includes the scheduled replacement of Loader #409, a 2003 Caterpillar (CAT) IT-28G front-end loader with removable 3-yard bucket, forks, and claw, funded through the Streets Division.

This loader is heavily utilized year-round handling materials at the DPS yard, performing heavy leaf collection, and for snow removal. As noted on the attached evaluation sheet, the current machine is 19 years old, and has an extremely poor evaluation score of 46 (28 and over is denoted as requiring priority replacement). The replacement of this machine is essential to support routine DPS operations. Due to its age and high hours, the loader is suffering increasing maintenance costs, and increased downtime for repairs.

Based on the demonstrations and research undertaken during the recent replacement of Water/Sewer loader #405, which was an identical piece of equipment, DPS Staff purchased a Volvo L-70H. This loader has exceeded all expectations and is the machine heavily preferred for the replacement of #409. Having two identical machines also allows for a streamlined parts and service inventory, as well as familiarity for the operators who use both machines on a routine basis.

The Volvo loader is available on a cooperative bid and remains less expensive than the CAT equivalent. Based on the preceding information, and the due diligence performed, Staff requests that Council approve the purchase of one Volvo L-70H Front-End Loader, with identified options from Alta Equipment of New Hudson, Michigan, through the Sourcewell Cooperative Purchasing Contract #032119-VCE for a total equipped cost of \$241,851. Funds are budgeted and available for this scheduled replacement and purchase.

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**Department of Public Services**

City of Madison Heights  
801 Ajax Drive  
Madison Heights, Michigan 48071

p (248) 589-2294 | f (248) 589-2679

Vehicle Replacement Guidelines & Evaluation Worksheet

(Only those fields shaded in yellow need to be completed.)

Date of Evaluation:8/16/2022

Vehicle #:409

Department / Division:Streets

Year / Make / Model:2003CAT Loader 3 Yrd

Vehicle Type:C

Type A = Sedans / Light Trucks ≤ 1 Ton

Type B = Medium / Heavy Duty > 1 Ton

Type C = Off Road Equipment

Age: One point for each year of chronological age beginning with in-service date

In Service Date:7/31/2003

Age in Months:228

Age in Years (rounded):19

Score:19

Usage: Type A = 1 point per 10,000 miles; Type B = 1 point per 5,000 miles; Type C = 1 point per 250 hours used

Actual Mileage:

Actual Hours:3,920

as of8/16/2022

Score:16

Service Type: Type A		Type C	
Points	Description	Points	Description
1	Standard sedans and light pickups.	1	Standard duties as equipped.
2	Standard vehicles with occasional off-road usage.	2	Standard duties when used with attachments (sickle bar, backhoes, rear bushhogs).
3	Any vehicle that pulls trailers, hauls heavy loads, continued off-road usage.	3	Multiple duties based on seasons (snow, mowing, leaf).
4	Any vehicle involved in snow removal.	4	Extreme duties in harmful atmosphere (dust, salt, water).
5	Police, Fire, and Rescue service vehicles.	5	Heavy construction work including snow removal.
Type B			
Points	Description		
1	Standard use including basic job site duties, some light duty hauling.		
2	Standard use with attachments (compressors, lights, etc.) including job site duties, standard load hauling, some towing.		
3	Above standard use including job site duties that include idling, standard load hauling, light trailer/equipment towing, leaf collection.		
4	Above standard use including job side idling and hauling above standard loads, towing equipment and heavy trailers, light snow removal.		
5	Extreme service, high job site idling and duties with attachments, heavy load hauling, heavy trailer/equipment towing, major snow removal duties, refuse collection, etc. (Examples: Sign Truck, Tandem or Single Dump Truck, Snow Removal Truck).		
			Score: 5

Reliability: Note: Based on current conditions. Preventative Maintenance work is not included.

Points	Description
1	In shop 0 or 1 time within the last 3 months, and no major breakdowns or road calls.
2	In shop 1 time within the last 3 months, and 1 breakdown/road call within the last 3 months.
3	In shop more than twice within the last month, and no major breakdowns or road calls.
4	In shop more than once within the last month, and 2 or more breakdowns/road calls within the last month.
5	In shop more than twice monthly within the last 3 months, and 2 or more breakdowns within the last month.

Number of times in shop within the last month:1

Number of times in shop within the last 3 months:1

Any Road Calls or Breakdowns (Y or N):Y

Road Calls / Breakdowns within the last month:0

Road Calls / Breakdowns within the last 3 months:0

In shop more than twice monthly within the last 3 months (Y or N):N

Score:1

Maintenance & Replacement Costs:

Points	Description
1	Maintenance costs are less than or equal to 20% of replacement cost.
2	Maintenance costs are 21-40% of replacement cost.
3	Maintenance costs are 41-60% of replacement cost.
4	Maintenance costs are 61-80% of replacement cost.
5	Maintenance costs are greater than or equal to 81% of replacement cost.

Total Maintenance Cost\$52,369as of 8/16/2022

Estimated Purchase Price - New Veh.\$250,000as of 8/16/2022

Est. Resale Value of Car to be sold\$10,000as of 8/16/2022

Estimated Net Replacement Cost\$240,000as of 8/16/2022

Maintenance Cost as % of Replacement Cost:21.8%as of 8/16/2022

Score:2

Condition:	
Type A	
Points	Description
1	No visual damage or rust and a good drive train
2	Minor imperfections in body and paint, interior fair (no rips, tears, burns), and a good drive train.
3	Noticeable imperfections in body and paint surface, some minor rust, minor damage from add-on equipment, worn interior (one or more rips, tears, burns), and a weak or noisy drive train.
4	Previous accident damage, poor paint and body condition, rust (holes), bad interior (tears, rips, cracked dash), major damage from add-on equipment, and one drive train component bad.
5	Previous accident damage, poor paint, bad interior, drive train that is damaged or inoperative, and major damage from add-on equipment
Type B	
Points	Description
1	No visual damage or rust, good paint, good interior, no damage from add-on equipment, no body modification, good drive train.
2	Minor imperfections in body and paint, interior fair (no rips, tears, burns), good drive train, minor body modification.
3	Noticeable imperfections in body and paint surface, some minor rust, fair interior, weak/fair drive train, minor body modification, minor damage from add-on equipment.
4	Previous accident damage, poor paint & body condition, major rust/corrosion, poor interior, damage from add-on equip., moderate body modification evidence, 1 drive train component bad.
5	Previous accident damage, poor paint & body condition, bad interior, drive train damaged or inoperative, major body modifications, major damage from add-on equipment and attachments.
Type C	
Points	Description
1	Good condition, fully functional.
2	Fair body, functional.
3	Minor body damage, weak operating system.
4	Severe damage, component not functional.
5	Extreme damage, inoperable.

Number of Notable Accidents:	0	(list number)
Paint / Body:	Fair	comment
Interior:	Fair	comment
Drive Train:	Fair	comment
General Condition:	3	(pick number from table)

Score:	3
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Overall: Total Score: 46

0 - 17	Excellent	Do not replace.
18 - 22	Good	Re-evaluate for future budget(s).
23 - 27	Fair	Qualifies for replacement if budget allows.
28+	Poor	Needs priority replacement.



## Quote Valid for 90 days

**Contract:**  
**032119-**  
**VCE**
**Date:** 9/15/2022

<b>Buying Agency:</b>	THE CITY OF MADISON HEIGHTS	<b>Dealership:</b>	ALTA EQUIPMENT
<b>Contact Person:</b>		<b>Prepared By:</b>	DAN LAFORGE
<b>Phone:</b>		<b>Phone:</b>	248-388-2649
<b>Email:</b>		<b>Email:</b>	<a href="mailto:DAN.LAFORGE@ALTG.COM">DAN.LAFORGE@ALTG.COM</a>

Sourcewell Product Code

D - Volvo Pricing Catalog: Wheel Loaders Large

**A. Catalog / Price Sheet Items being purchased**

Quan		Unit Pr	Total
1	VOLVO L70H REF: EQ0278922	\$208,126	\$208,126
	See next page for machine specs at List Price, Contract Discount, Machine Price		
	TOTAL Purchase Price at Bottom of this Page		
<b>Sourcewell Machine Price:</b>			\$208,126
<b>Additional Discount:</b>			-\$5,600
<b>Subtotal A:</b>			<b>\$202,526</b>

**B. Sourced and/or Non-Contracted Items**

Quan	Description	Unit Pr	Total
1	2.7cyd Tink Claw Bkt- Sourced	\$20,000	\$20,000
1	AUTOLUBE -Lincoln Autolube system installed Aftermarket- Sourced	\$11,100	\$11,100
<b>Subtotal B:</b>			<b>\$31,100</b>

**C. Freight / Installation / Ext Warranty / Trade-Ins / Other Allowances/ Miscellaneous Charges**

<b>Freight</b>	\$1,500
<b>PDI</b>	\$800
60 month 3,000 Hr Volvo "Complete" Warranty w/ Travel Time & Mileage \$250 Single claim limit	\$6,025
<b>Subtotal C:</b>	<b>\$8,325</b>

**Delivery Date:** 5/28/2023

**D. TOTAL PURCHASE PRICE (A+B+C):**
**\$241,951**

Version 19

Description	Part #	List Price
<b>Volvo L70H, Wheel Loader</b>	L70H	\$258,236
<b>4-Rims (3pc) for 20.5 or 600 tires</b>	WL21004	\$4,771
<b>Engine D6J (Tier 4F) US</b>	WL32017	\$0
<b>Fuel fill strainer</b>	WL30007	\$0
<b>Delayed Engine Shutdown</b>	WL30024	\$216
<b>Reversible cooling fan</b>	WL37001	\$1,437
<b>Rimpull</b>	WL39501	\$0
<b>Volvo Airsusp, Heated, 2pt, 3" belt</b>	WL41010	\$2,372
<b>Air conditioning with ACC (automatic climate control)</b>	WL42001	\$7,624
<b>Steering knob</b>	WL45001	\$0
<b>Sliding window in door</b>	WL45003	\$0
<b>ACC Fahrenheit decal only</b>	WL45004	\$0
<b>Universal key</b>	WL45005	\$0
<b>Secondary steering, electric</b>	WL45019	\$0
<b>Lunch box holder</b>	WL45023	\$0
<b>Anchorage manual</b>	WL45027	\$0
<b>Co-pilot incl Camera</b>	WL45057	\$0
<b>Operator Coaching Start</b>	WL88201	\$0
<b>LOTO, Lock out tag out</b>	WL53009	\$0
<b>Back up alarm</b>	WL54001	\$0
<b>Max Boom Height</b>	WL65013	\$0
<b>Oil sampling ports</b>	WL71002	\$350
<b>Footsteps front frame</b>	WL71005	\$341
<b>Boom Suspension System (" Ride Control" . Includes single acting lift system.)</b>	WL80001	\$7,261
<b>Decals, English/Spanish</b>	WL83004	\$0
<b>Cover plates, rear frame</b>	WL86013	\$0
<b>Frame, life time warranty</b>	WL86041	\$0
<b>CareTrack Connectivity 4 yr Subscription</b>	WL88010	\$0
<b>CareTrack, GSM/Satellite</b>	WL88018	\$0
<b>De-activate SAT</b>	WL88020	\$0
<b>20.5R25* Michelin XHA2 L3</b>	WL20081	\$22,006
<b>Full coverage fenders rear for standard tires</b>	WL22004	\$1,020
<b>Engine auto shutdown</b>	WL30011	\$820
<b>Engine block heater, 120 V</b>	WL33002	\$1,070
<b>Radio BlueTooth/USB/AUX no CD (must select WL44001 or WL44002)</b>	WL43004	\$1,154
<b>RH Radio mounting kit including 20 amp converter, speakers &amp; 12v outlet</b>	WL44001	\$1,214
<b>Cab ladder, rubber suspended</b>	WL45006	\$675
<b>Left hand armrest for Volvo Airsusp. seats. Incompatible w/CDC (comfort drive control)</b>	WL45040	\$242
<b>Single lever ctrl, 3 funct EL (hydraulic and detent function included)</b>	WL47012	\$8,278
<b>Rearview mirrors,el.adj&amp; heat.</b>	WL45201	\$514
<b>Headlights LED</b>	WL50020	\$1,677

<b>LED Economy Package</b>	WL50022	\$3,428
<b>Warning Beacon, LED</b>	WL51003	\$987
<b>Separate attachment locking, std. boom</b>	WL64001	\$2,809
<b>Counterweight, logging (can't be ordered from Arvika w/ solid tires or wooden protect rims)</b>	WL81001	\$1,717
<b>Tow Hitch</b>	WL82005	\$527
<b>Bracket for Fire extinguisher</b>	WL86034	\$290
<b>Attachment bracket (Must select Hook-on attachments)</b>	WLA85346	\$8,123
<b>87" Fork frame - standard</b>	WLA83771	\$7,318
<b>57" offset fork tine - right, 5" X 2.4"</b>	WLA80042	\$2,174
<b>57" offset fork tine - left, 5" X 2.4"</b>	WLA80043	\$2,174
<b>104" 3.0 yd hook-on HD GP bucket</b>	WLA86407	\$16,355
<b>104" 3-piece bolt-on edge kit, straight-edge bucket (BOE adds 0.2 yd3)</b>	WLA80670	\$1,836
<b>Total List Price</b>		<b>\$369,017</b>
<b>Sourcewell % off List</b>		<b>43.6%</b>
<b>Sourcewell Machine Price</b>		<b>\$208,126</b>

*See Front Page of Quote for Total Purchase Price*