



Electric Department
1415 Lake Street
Two Rivers, WI 54241
920.793.5550
www.trwaterandlight.com

MEMO

DATE: May 4th 2022
TO: Greg Buckley, Utilities Committee, City Council
FROM: Brian Dellemann, Electric Utility Director
SUBJECT: Electric Utility Digger Truck Replacement

The Two Rivers Electric Utility is currently looking to upgrade the primary Digger Derrick truck. This piece of equipment is used for the installation of power poles, anchors, and lifting heavy apparatus such as pad mount transformers. Additionally, the Electric Department also uses this to assist other departments for various requests.

Historically our department has operated with two Digger Derrick trucks, one primary unit and one secondary unit. The primary truck is a 2007 Model International and once the new truck is delivered, the 2007 will become the secondary truck. The existing secondary truck is a 1992 Model International and we will investigate avenues to dispose of to offset the purchase price.

After soliciting quotes to replace this truck we learned pricing and lead times will be issues to deal with along the way. Another problem we discovered is material price increases are unpredictable. In calendar year 2021 there was a total of 32% increase in truck build costs.

We have received two quotes for the replacement truck. Utility Sales and Service, Inc. (USSI) and Altec Industries. Each truck manufacturer has quoted similar equipment and accessories. The only difference in the quotes is the year of the cab and chassis.

Utility Sales and Service, Inc. has proposed a 2023 with a three-year warranty and has a limited number of opening left in their schedule. USSI has estimated delivery of November of 2023. The quote we received from USSI was for the 2023 Model International came in at a total cost of \$ 318,178.00.

Altec Industries has proposed a 2024 model with a one-year warranty and estimated delivery of 18-24 months. The quote we received from Altec Industries for the 2024 Model International came in at a total cost of \$ 303,450.00.



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The Electric Utility has done their due diligence in the comparisons between the two manufacturers. Due to the demands and uncertainty of materials the sooner we decide on this equipment the better. The major concerns would be that if we wait an additional year there is no guarantee that Altec Industries' quote will be the lowest. We also feel that now there is a favorable market for the resale of the 1992 Model we would be selling if we move forward.

Utility Sales and Service Inc. is a local company that is in the Appleton area and has serviced all of our heavy-duty equipment. City staff is exploring all options for the financing of this purchase.

It would be my recommendation to the Utility Committee and City Council to approve the quote of USSI for the amount stated of \$ 318,178.00 for the 2023 Model International.

Respectfully,

A handwritten signature in black ink, appearing to read 'B. Dellemann', written in a cursive style.

Brian Dellemann
Electric Utility Director