



August 24, 2020

Council Meeting of September 1, 2020
Subject: Backhoe Loader
State Purchasing Program (MiDeal)

The Honorable Mayor
and
Members of the City Council

Ladies and Gentlemen:

The FY-2021 budget provides for the purchase of one backhoe loader to be used by the Water and Sewer Division. The current backhoe is a 2016 Caterpillar.

A 2020 Caterpillar backhoe is available to be purchased from Michigan Cat Inc. of Grand Rapids, Michigan through the State of Michigan Cooperative Purchasing Program (MiDeal) at a cost of \$112,406.

Funds in the amount of \$108,000 are budgeted in the Equipment Replacement Fund for this purchase. Further, the trade in of the existing backhoe will generate a minimum of \$50,000 to offset the cost of the new piece of equipment. Purchase through a cooperative purchasing contract is in compliance with the City's ordinance.

Adoption of the attached resolution will award the purchase of a 2020 Caterpillar 420F2 backhoe through the State of Michigan Cooperative Purchasing Program in the amount of \$112,406 from Michigan Cat Inc. of Grand Rapids, Michigan.

Respectfully submitted,

Mark C. Meyers
City Administrator

GAB/sr
Attachment

Administration/City Clerk (231) 798-4391	Assessing Division (231) 799-6806	Building Division (231) 799-6801	Finance/Treasurer (231) 799-6805	Fire Prevention (231) 799-6809	Fire Department (231) 798-2255
Parks/Recreation (231) 799-6802	Planning/Zoning (231) 799-6800	Police Department (231) 733-2691	Public Works (231) 799-6803	Streets Division (231) 798-2156	Water/Sewer (231) 799-6804

RESOLUTION

WHEREAS, the current budget provides for the purchase of one 2020 Caterpillar 420F2 backhoe, and

WHEREAS, a 2020 Caterpillar 420F2 backhoe is available to be purchased collectively from Michigan Cat Inc. of Grand Rapids, MI through the State of Michigan Cooperative Purchasing program at a cost of \$112,406, and

WHEREAS, a trade of the existing backhoe will generate a minimum of \$50,000 to offset the cost, and

NOW, THEREFORE, BE IT RESOLVED, that the purchase of a 2020 Caterpillar 420F2 backhoe at a cost of \$112,406 from Michigan Cat Inc. of Grand Rapids, MI, and the trade of the 2016 Caterpillar 420F2 is authorized.

At a regular meeting of the City Council of the City of Norton Shores, held remotely, on the 1st day of September, 2020, the foregoing resolution was moved for adoption by Council Member. The motion was supported by Council Member.

Ayes:

Nays:

Resolution declared adopted/denied.

Shelly Stibitz, City Clerk



Internal Memo

August 21, 2020

TO: James R. Murphy, Director of Public Works
FROM: Bryan A. DeGroot, Streets & Drainage Superintendent 
RE: Purchase of One (1) Backhoe Loader

The current 2021 Fiscal Year Budget provides funding for the purchase of one (1) Backhoe Loader. This unit can be purchased using the State of Michigan Cooperative Purchasing Program (MI-DEAL) through Michigan Cat Inc. of Grand Rapids, Michigan.

This unit is assigned to the Water & Sewer Division, this piece of equipment is used to excavate material for the maintenance, repair, and installation of water main, water services, and sewer mainline/lateral repairs. Along with loading equipment with aggregate and other materials.

The current backhoe being considered for replacement is a 2016 Caterpillar model 420F2 with 1300 hours and was purchased under the Michigan Cat Governmental guaranteed buyback program after 5 years or 2,350 hours for a minimum price of \$50,000.

The price for the new 2020 Caterpillar 420F2 APR+ with all the attachments under the State (MI-DEAL) purchasing program is \$112,406. Funds in the amount of \$108,000 have been budgeted in the Equipment Replacement Program for this purchase. Upon City Council authorization, the existing unit would be traded in for a minimum of \$50,000 making the total purchase price for this unit \$62,406 or less. Replacement funds have been generated through the monthly equipment rental rates charged to the Water & Sewer Division.

Staff requests City Council authorization to purchase the 2020 Caterpillar 420F2 Backhoe from Michigan Cat Inc. at their meeting of Tuesday, September 1. It is also requested that council give authorization to trade in the current 2016 Caterpillar Backhoe when it is to be removed from service.

Please contact me with any questions you may have regarding this subject.