



## Legislation Text

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**File #:** 16-464, **Version:** 1

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**City Council Meeting Date:** October 18, 2016

**To:** Mayor and City Council  
City Administrator

**From:** Tj. Heinricy, Street & Park Foreman

Consideration to Authorize 2016 Ordering and 2017 CEP-Funded Purchasing of 2017 Elgin Pelican Street Sweeper.

**Action Requested:**

Staff recommends a motion to authorize the purchase of a 2017 Elgin Pelican street sweeper with 2016 ordering of the sweeper and 2017 CEP-funded payment of the sweeper from the Storm Water Fund.

**Summary Report:**

The City Council is being asked to approve the ordering of the 2017 Elgin Pelican street sweeper. We will order the street sweeper earlier to obtain the following benefits:

- 2016 Minnesota State Bidding process can be utilized.
  - \$205,923.00 bid price (2016 pricing) for the 2017 Elgin Pelican sweeper.
  - McQueen Equipment Inc. fulfills Minnesota State Bidding process.
- There is a proposed 5% price increase of the machine in 2017.
- Additional \$5,000 off purchase price if McQueen Equipment Inc. takes possession of the 2011 machine in 2016.
  - This has some cleanup & maintenance savings for us as well.

The existing Elgin Pelican sweeper was purchased in 2011 and is reaching the end of its operating life. Investing in its continued maintenance would significantly increase cost. Additionally, the current sweeper still has good resale value.

The sweeper is identified for replacement in the current CEP in 2017 (\$135,000.00). With the replacement of the 2011 Elgin sweeper, the need for the City to accrue higher maintenance costs would be eliminated.

**Financial Impacts:**

Staff is requesting \$140,923.00 for the street sweeper, which would be delivered in 2017. Funding for the street sweeper as identified in the CEP would come from the Storm Water Fund. The CEP has \$135,000 currently proposed and would be adjusted to \$140,923.

Actual purchase price of the Elgin Pelican street sweeper is \$205,923.00; trade in value for the current Elgin Pelican is \$60,000.00 with an additional \$5,000.00 if McQueen Equipment is allowed to take ownership in 2016. The final purchase cost would be \$140,923.00.

By authorizing purchasing now, the City is anticipating saving of \$15,000. This includes the 5% saving from cost increases next year (\$10,000) and \$5,000 additional trade on the existing sweeper.

**Tentative Timelines:**

November 14, 2016 is the Minnesota State Bid closing date.

Mid-November - McQueen Equipment would take possession of 2011 Elgin Pelican Sweeper

- \$5,000.00 additional trade value would be applied to purchase cost.

January 2017 - final payment of 2017 Elgin Pelican sweeper would be made.