COMMISSION ITEM SUMMARY



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Request for approval to issue a purchase order to Nortrax Equipment Co., in the amount of \$70,941.97, pursuant to State of Florida Contract No. 760-001-03-1, for the purchase of one (1) 2003 John Deere 410G Backhoe Loader with Compactor.

Issue:

Whether to approve the issuance of a purchase order pursuant to State of Florida Contract No. 760-001-03-1.

Item Summary/Recommendation:

This vehicle is a **budgeted addition** funded by the Public Works Water Enterprise Fund Capital Account. This vehicle will be equipped with the following: cab with dual doors and air conditioning, four wheel drive, multi-purpose loader bucket and a backhoe bucket with teeth. This vehicle will be used by the Public Works Water Division to facilitate and increase productivity among four crews in the installation and repair of water mains, water lines, fire hydrants and fire lines. The addition of this equipment to the Public Works' fleet will eliminate future costly rental expenses based on a seven (7) to ten (10) year life expectancy and having to wait for three days for the availability of the vehicle.

The Administration recommends approving the issuance of a purchase order.

Advisory E	Board Recommend	ation:
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Financial Information:

Source of		Amount	Account	Approved
Funds:	1	\$70,941.97	425.0410.000673 Public Works Water Enterprise Fund Capital Acct.	
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Finance Dept.	Total	\$70,941.97		

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Andrew E. Terpak

Sign-Offs:

Department Director	Assistant City Manager	City Manager
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AGENDA ITEM <u>C2A</u>

DATE <u>4-30-03</u>

CITY OF MIAMI BEACH

CITY HALL 1700 CONVENTION CENTER DRIVE MIAMI BEACH, FLORIDA 33139 www.miamibeachfl.gov



COMMISSION MEMORANDUM

To:

Mayor David Dermer and

Members of the City Commission

Date: April 30, 2003

From:

Jorge M. Gonzalez

City Manager

Subject:

REQUEST FOR APPROVAL TO ISSUE A PURCHASE ORDER TO

NORTRAX EQUIPMENT CO., IN THE AMOUNT OF \$70,941.97, PURSUANT TO STATE OF FLORIDA CONTRACT NO. 760-001-03-1, FOR THE PURCHASE OF ONE (1) 2003 JOHN DEERE 410G BACKHOE

LOADER WITH COMPACTOR.

ADMINISTRATION RECOMMENDATION

Authorize the issuance of a purchase order.

BID AMOUNT AND FUNDING

\$70,941.97 Public Works Water Enterprise Fund Capital Account

425.0410.000673

ANALYSIS

The purchase of this vehicle is recommended to be purchased pursuant to State of Florida Contract No. 760-001-03-1.

This vehicle will be equipped with the following: cab with dual doors and air conditioning, four wheel drive, multi-purpose loader bucket and a backhoe bucket with teeth.

This vehicle is a budgeted addition and will be funded by the Public Works Water Enterprise Fund Capital Account.

The 2003 John Deere 410G Front End Loader/Backhoe will be used by the Public Works Water Division to facilitate and increase productivity among four crews in the installation and repair of water mains, water lines, fire hydrants and fire lines.

The Administration reviewed other price lists to compare to the State of Florida Contract No. 760-001-03-1 pricing for the 2003 John Deere 410G Front End Loader/Backhoe with Plate Compactor. Below is a summary of price sources and savings over the manufacturer's suggested list price of \$121,813.00:

 Source
 Price
 Savings over List

 General Services Administration GS-30F-1021D
 77,715.00
 44,098.00

 State of Florida 760-001-03-1
 70,941.97
 50,871.03

The addition of this equipment to the Public Works' fleet will eliminate future costly rental expenses of approximately \$1,200.00 per month based on industry standards average life expectancy of seven (7) to ten (10) years. Below is a summary of the cost of leasing compared to the State of Florida purchase price of \$70,941.97 based on the life expectancy:

<u>Life expectancy</u>	Rental Expense @ \$1,200/Month	Savings if Purchased
7 Years	\$100,800.00	\$ 29,858.03
10 Years	\$1 44 ,000.00	\$ 73,058.03

The Administration recommends that City Commission authorize the issuance of a purchase order against State of Florida Contract No. 760-001-03-1.

JMG/MDB/RCM/FB/GL/AET/mo

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