

Memo

To: Village Board

From: Chris Clark, Director of Parks, Recreation, & Forestry

Re: Approval to Purchase a Replacement Compact Mini-Loader for the Parks Department; 2015 Budgeted Item

Date: December 16, 2014

Background Information:

2006 Volvo L20B-P Loader #48. The Volvo compact loader is currently nine years of age with 1990 hours of usage and has an estimated life span of 10 years. This loader was purchased in 2006 at a price of \$49,130.00 and has incurred a charge of close to \$89,500 in the equipment replacement fund. In addition, the Volvo compact loader required customization and fabrication to operate the attachments and has been requiring more and more repair maintenance costs to keep it operational in the last few years.

This piece of equipment is used primarily by the Parks Department for forestry operations, landscaping, snow removal, leaf collection, and park projects. Occasionally the Street Department may also utilize this equipment as needed. Because of the smaller size of the compact loader it is better suited for small spaces with minimal site impact as well as the utilization of various attachment equipment currently owned by the department. This loader needs to be equipped with Hi-Flo hydraulics to operate various attachments utilized in parks and forestry operations.

Staff inquired with four separate vendors that provide the specified equipment during the summer of 2014 for demonstration purposes. During this process only two of the four vendors were able to provide units to demo, Caterpillar by Fabco, and John Deere from Riesterer and Schnell. The other two vendors, JCB of Green Bay/Fairchild Equipment and Volvo from Aring Equipment were unable to provide demo equipment. Of the equipment that was brought in to demonstrate, staff preferred the Caterpillar model for functionality and compatibility with existing attachments.

Budget Information:

This piece of equipment has been approved in the 2015 equipment replacement budget at \$60,000.

Two quotes for the compact mini-loader were received as noted:

Equipment Make	Quote	(Less Trade)	Balance
Caterpillar 906H2 Compact Wheel Loader (4 wheel drive)	\$84,996.00	(\$20,000)	\$64,996.00
John Deere 324K Four Wheel Drive Loader	\$100,054.42	(\$21,000)	\$79, 054.42

Staff will attempt to sell the Volvo compact mini-loader outright or on an auction website and expects to receive \$25,000 to \$30,000 with the option to always return to the vendor and receive the listed trade value. Funds received from sale of the used equipment would go into the equipment replacement fund.

Staff Recommendation:

Staff recommends the purchase of the Caterpillar 906H2 Compact Wheel Loader at a price of \$84,996.00 from Fabco of Green Bay. We are looking for approval to purchase this loader at this time as Fabco will have the specified unit available for delivery in January if we ask them to hold it for us. If another loader would need to be ordered through them at a later date, it would be a four to five month delivery time frame.