



Legislation Text

File #: 22-0412, **Version:** 1

ITEM TITLE:

Approval to Purchase a Used 2018 Volvo EC250EL Excavator from Construction Machinery Industrial, LLC in the Amount of \$189,800.00

SUBMITTED BY: Rob Comstock, Public Works Director

FISCAL NOTES:

Expenditure Required: \$189,800.00
Unencumbered Balance: \$435,000.00
Funding Source: 350-0400-58000

RECOMMENDATION:

Approve the Purchase of a Used 2018 Volvo EC250EL Excavator from Construction Machinery Industrial, LLC in the Amount of \$189,800.00

SUMMARY STATEMENT:

For the last several years the Major Equipment Reserve has had funds to purchase an excavator for the Solid Waste Department due to the City's current excavator being too small for some of the needs that had arisen. During that time we have been able to further define the need and specific uses for the machine as well as the size of the machine and the options needed to accomplish the work. Some of those specific uses for the larger machine are: 1. Fill in the benches on Cell #2 in the Balefill to enable a partial closure. 2. Perform maintenance on Glacier Haul Road, Copper Ave., and other City dikes. 3. Sort large metal items out of the C&D waste stream so they can be recycled.

Due to the low amount of hours expected to be put on this machine annually, and the considerably lower cost of a used machine verses a new one, it was decided to pursue the purchase of a suitable used machine, however due to the lack of new inventory at equipment dealers, used excavators with low hours in the size we were looking for have been scarce over the last couple of years.

Recently Construction Machinery Industrial, LLC (CMI) informed us that they had a used 2018 Volvo EC250EL Excavator with 1,663 hours on it in the Valdez area that they were getting ready to sell. Upon inspection of the excavator it was determined that it was the right size and had the right options to meet our needs. In discussions over the price CMI stated that they would make a two year comprehensive warranty available which would include no charge for travel time to Valdez. The price that we arrived at is competitive with similar machines found in other parts of the country but no shipping is needed since it is already located in Valdez. CMI will also fully service the machine and repair some minor damage after the purchase. This used Volvo EC250EL excavator is the only one

that has the right size and options, low hours, and a warranty that we can find for sale in Alaska right now. Although COV Procurement Code doesn't directly address the purchase of used equipment, this purchase does meet 2.80.075 "Open market purchases/procurements" section "B" which states a piece of equipment may be purchased direct if it can "only be furnished by a single dealer".

This excavator would be a "new to the fleet" purchase and would be assigned a 15 year life expectancy on the Major Equipment Schedule.