

Memorandum
Public Works Department
Purchasing Division

C

TO: John T. Lockerby, Village Manager

FROM: 
Michael Aleksic, Purchasing Agent


Max Slankard, Director of Public Works

DATE: November 25, 2014

SUBJECT: Purchase of One Log Chipper (Agenda Item)

Pricing for the above referenced item was obtained through the Houston Galveston Area Council Purchasing Cooperative.

<u>Budget Amount</u>	<u>Account Number</u>	<u>Project Number</u>
\$135,000 (unit #462)	020-0420-418.07-42	I64143


Tabulation: Alexander Equipment, Lisle, IL \$ 86,358.50

Recommendation: It is recommended that a contract for the purchase of one (1) Log Chipper (Morbark M18R) be awarded to Alexander Equipment, Lisle, IL in the amount of \$52,752. This price includes a 10% discount of \$8,606.50 and a trade in value of \$25,000 for the chipper being replaced.

Comments:

The FY 2015 CIP includes funding for the replacement of one (1) Log Chipper (unit #462) for the Public Works Department's Tree Maintenance Division. When the budget amount for this replacement was set, Public Works staff was intending to acquire a larger log processor with a higher capacity than our current unit. However, in further studying the matter, we became concerned that attempting to process larger logs might negatively impact worker safety. As such, we made the decision to not acquire a larger unit, and to instead replace our current chipper with a like-size unit. Thus, the acquisition cost is much lower than the budgeted amount.

The existing chipper is a 2009 model with 2800 hours and has become worn from the accelerated ash tree removals. The retired chipper will be traded in at a value of \$25,000.



The Village has purchased equipment from Alexander Equipment in the past and is satisfied with their performance.

cc: Jason Wicha, Assistant Village Manager