



# Detroit Water and Sewerage Department

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## Legislation Text

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**File #:** 19-0088, **Version:** 1

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The Board of Water Commissioners for the City of Detroit, the Water and Sewerage Department authorizes the Director to **enter into Contract # 6002025, based on pricing from MI Deal Contract # 071B7700084 with MacAllister Machinery Co., DBA Michigan CAT for the purchase of four (4) new Caterpillar Model 430F2 Backhoes, at a cost not to exceed \$370,000.00**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

### **Agenda of April 17, 2019**

**Item No.:** 19-0088

**Contract Number:** 6002025

**Vendor:** MacAllister Machinery, Co. DBA Michigan CAT  
24800 Novi Road  
Novi, MI 48375

**Duration:** 1/13/17 to 1/12/21

**Contract Amount:** Not to exceed \$370,000.00

**TO:** The Honorable  
Board of Water Commissioners  
City of Detroit, Michigan

**FROM:** Gary Brown, Director  
The Detroit Water and Sewerage Department

**RE: Purchase of four (4) new Caterpillar Model 430F2 Backhoes**

### **MOTION**

Upon recommendation of Mamata Burgi, Procurement Manager, the Board of Water Commissioners for the City of Detroit, the Water and Sewerage Department authorizes the Director to **enter into Contract # 6002025, based on pricing from MI Deal Contract # 071B7700084 with MacAllister Machinery Co., DBA Michigan CAT for the purchase of four (4) new Caterpillar Model 430F2 Backhoes, at a cost not to exceed \$370,000.00**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

### **BACKGROUND**

The Backhoes are used year round in support of DWSD maintenance and repair operations.

### **JUSTIFICATION**

In order to respond to large scale repair operations, the purchase of these Backhoes is necessary. These four backhoes are necessary to replace four units that are "Out of Service".

## **PROCUREMENT METHOD**

Fleet Operations provided information to Purchasing that Michigan CAT is the sole authorized dealer in the Lower Peninsula. Purchasing confirmed via the Caterpillar Website CAT.com that the list of three authorized dealers/distributors includes locations in Brownstown Township, Shelby Township and Novi. The next closest dealers would be in Ontario, Canada and Perrysburg, Ohio.

Pursuant to DWSD's Procurement Policy, section (5) Exceptions to Competitive Bidding (B) Sole Source Procurements, competitive bidding is not required when there is only one source of supply available.

The contract amount has been based on the contract pricing that the State of Michigan was able to obtain for this model Backhoe.

## **DETAILS**

**Funding Source:** Operations and Maintenance (O & M) funded

**GL string:** 30% 5720-20167-482422-622100-000209-10731-0000-000000 \$ 111,000.00

**GL string:** 70% 5820-20178-492422-622100-000230-15956-0000-000000 \$ 259,000.00

**Original Duration:** Two Years

**DWSD Department:** Fleet Operations

**Total:** \$370,000.00