

City Council Agenda Memo

From: Jacob Meshke, Assistant City Manager

Council Meeting: September 14, 2021

Subject: Landfill Compactor Purchase

Person(s) Responsible: Jacob Meshke, Assistant City Manager

Summary:

The existing 2010 landfill compactor, which was scheduled for replacement, has been experiencing continued failures resulting in costly service repairs. Staff recommends an agreement to purchase a new landfill compactor from Butler Machinery Company through Sourcewell Contract #032119-CAT for the purchase price of \$921,066.86, which is lower than initial estimates of \$975,000.

Background:

The existing landfill compactor, purchased in 2010, was scheduled for replacement in 2022. There were approximately \$58,900 in repairs in 2019, \$34,900 in 2020, and over \$120,000 so far in 2021. The most recent large repairs have been for drive motors of two (2) of the four (4) wheels and staff has been advised that the remaining two (2) could go out at any time. It is critical to get this piece of equipment replaced as soon as possible to prevent any future large repair bills. This piece of equipment is critical to the operation of the landfill as it provides compaction of the garbage being placed into the landfill and is used daily.

Caterpillar Inc. was the successful bidder of the Compactor under Sourcewell Contract #032119-CAT. Butler Machinery Company is the Caterpillar dealer which supplies the Sourcewell equipment in South Dakota under Sourcewell Contract #032119-CAT.

Item Details:

Staff recommends an agreement to purchase a new landfill compactor from Butler Machinery Company through Sourcewell Contract #032119-CAT. Sourcewell is a local unit of government in Minnesota which qualifies as a joint cooperative purchasing agency. As a result of South Dakota law, cities can purchase equipment under active contracts solicited by Sourcewell. The purchase price of \$921,066.86 is lower than initial estimates of \$975,000. Staff is in discussions with Butler Machinery Company on warranty and service packages to ensure proper care and maintenance for the equipment.

Legal Consideration:

City Attorney Steve Britzman has reviewed the purchase agreement.

Strategic Plan Consideration:

- 1) **Fiscal Responsibility** – limits the City's future liability for costly service repairs.
- 2) **Service and Innovation Excellence** – the new compactor will operate more efficiently and effectively than the current, failing compactor.

Financial Consideration:

The Solid Waste Fund has reserves available for the purchase amount of \$921,066.86. Staff is recommending to utilize current capital reserves to purchase the Compactor and will develop a reserve replenishment schedule in the Landfill's capital improvement plan.

Options and Recommendation:

The City Council has the following options:

1. Approve as presented
2. Amend
3. Deny
4. Move the item to a study session
5. Do nothing

Staff recommends approval of the resolution as presented.

Supporting Documentation:

Memo

Resolution

Cost Estimate

Sourcewell – Proof of Publication

Sourcewell – Proposal Evaluation

Sourcewell – Contract Acceptance

Appendix – About Sourcewell