



Agenda Item Summary

Meeting of: September 18, 2017

Agenda Item Title: Dump/Plow Truck Purchase Approval

Submitted by: Derik Bollinger

Approved for submittal:

City Manager

Explanation of Agenda Item:

Included in this year's City budget is the purchase of a new dump and plow truck. This new truck will expand the current fleet, providing additional support and reducing winter maintenance response times.

The Public Works department obtained two quotes for this custom-built vehicle which are included with this agenda item. Because this is a custom build, there were not enough local, qualified companies to obtain three quotes. However, City staff believes the two quotes received to be reasonable after contacting other public works departments that have purchased similar vehicles recently as well as Washtenaw County Road Commission.

There is only one option for the truck body. That is for \$90,079 through Wolverine – Freightliner. Wolverine has worked with Freightliner to develop a custom chassis specifically for the work of a municipal public works department.

There are two quotes for the dump body and underbody scraper. The first quote from Truck & Trailer Specialties totaled \$52,981. The second quote is from Shults Equipment for \$52,671.

Upon review of the two quotes, City staff recommends the combination of Wolverine and Shults for a total cost of \$142,750 mainly because this is standard, contracted pricing and allows us to maintain standard equipment for parts and repairs.

The Administrative team reviewed financing options obtained three tentative financing quotes that are included with this agenda item. The quotes obtained vary in rate and format. City staff recommends a 5-year, lease-purchase through US Bancorp based on the City's budget, the lease-purchase format of the financing and the rate proposed

Type of Request:

Resolution **Motion X**

If you are requesting a resolution, include your resolution statement as an attachment to this document upon submission.

Fiscal or Resource Considerations:

Does this agenda item require the expenditure of funds? X YES NO

If YES, are funds budgeted? X YES NO

Are staff or other resources required? X YES NO

Advisory Board/Commission/Committee Action/Recommendation:

Staff Comments:

The City currently owns six dump trucks of varying sizes purchased between 1992 and 2006. The average life span of a well-maintained vehicle of this nature is fifteen to twenty years. The current City fleet has been very well-maintained, but will require ongoing replacements over time.

Wolverine is kindly allowing Chelsea to utilize the Rochester Hills Co-op Award rates although the City is not a formal participant in the agreement. Once the City purchases equipment utilizing this rate structure, the City will be formally added to the listing for ease of future purchases.

City Manager Comments/Recommendation:

City Manager Recommended Form of Motion:

Motion to approve the lease-purchase of a new dump and plow truck for an estimated to-build price of \$142,750 from Wolverine – Freightliner and Shults Equipment, LLC with financing through US Bancorp.

Names and addresses of those to be notified:

Can be found on individual documents

Attachments:

Wolverine dump chassis quote, Truck & Trailer Specialties dump body & underbody scraper quote, Shults Equipment dump body & underbody quote, US Bancorp financing quote, Chelsea State Bank financing quote, Comerica Bank financing quote

All Agenda Item Summaries and any attachments are due in the City Clerk's Office by 5:00 p.m. on the Wednesday prior to the City Council meeting. If the Wednesday prior to the City Council meeting is a holiday, then the submission deadline is 5:00 p.m. on Tuesday.

Wolverine

Dump Chassis Quote



107 S. Groesbeck • Mt. Clemens, MI 48043 • (586) 783-2444 FAX (586) 469-8054

August 2, 2017

City of Chelsea
RE: RH Municipal Co-op Truck Pricing

Attn: Mr. Robert Galarowic

Following is Freightliner Chassis pricing information as per your request.
Pricing and conditions are as per the Rochester Hills Co-op Award Agreement.
Please reference RFP-RH-13-30 dated 8/8/13 and all related documents.

SINGLE AXLE 39,000# GVW CHASSIS
SNOW / ICE CONTROL

*negotiated price
increases over the
life of the agreement*

Truck Chassis.....	\$83,114.00
Cab Paint – White.....	N/C
2015 Model Year.....	750.00
2016 Model Year.....	1,200.00
2017 Model Year.....	1,050.00
2018 Model Year.....	900.00
330HP/1000TA Engine.....	862.00
Aluminum Wheels (6) w/Armor.....	1,291.00
Delete Hood Hatches.....	< 361.00>
Power Windows/Locks.....	219.00
Drivers Seat, (3) Chamber.....	134.00
Manuals.....	390.00
Diff Lock Option.....	530.00
TOTAL: \$90,079.00	

Ken Malkowski
Government Sales Manager



107 S. Groesbeck • Mt. Clemens, MI 48043 • (586) 783-2444 FAX (586) 469-8054

ROCHESTER HILLS MUNICIPAL COOPERATIVE MEMBER LIST

The Cooperative came into existence October 2013. The City of Rochester Hills acting on behalf of the Cooperative's original (9) Members entered into a contractual agreement with Wolverine Freightliner -- Eastside. Wolverine is to provide truck cab & chassis's per the requested specifications under the agreed upon terms and conditions of the agreement.

Following are Agencies who are Members of the Cooperative as of January 25, 2017 --

- | | |
|---------------------------------|----------------------------------|
| 1) City of Rochester Hills | 26) Oakland University |
| 2) City of Troy | 27) City of New Baltimore |
| 3) City of Farmington Hills | 28) City of Ferndale |
| 4) City of Warren | 29) City of Birmingham |
| 5) City of Auburn Hills | 30) City of South Lyon |
| 6) City of Midland | 31) City of Lathrup Village |
| 7) City of Madison Heights | 32) City of Westland |
| 8) City of St Clair Shores | 33) Wayne County Airport |
| 9) City of Rochester | 34) City of Saline |
| 10) City of Huntington Woods | 35) City of Taylor |
| 11) City of Dearborn | 36) Township of Ypsilanti |
| 12) City of Southfield | 37) City of Mt Clemens |
| 13) City of Ypsilanti | 38) City of Grosse Pointe Shores |
| 14) Township of Clinton | 39) City of Sterling Heights |
| 15) City of Farmington | 40) City of Grosse Pointe |
| 16) City of Livonia | 41) City of Orchard Lake |
| 17) City of Dearborn Heights | |
| 18) City of Royal Oak | |
| 19) City of Bloomfield Hills | |
| 20) Township of Canton | |
| 21) City of Grosse Pointe Farms | |
| 22) City of Roseville | |
| 23) City of Ann Arbor | |
| 24) City of Wixom | |
| 25) Township of Huron | |

Ken Malkowski
Government Sales Manager

Truck & Trailer Specialties

Dump Body and
Underbody Scrapper
Quote

TRUCK & TRAILER *Specialties, Inc.*

1200 Victory Drive | Howell, MI 48843 | www.ttspec.com | Ph: (517) 552-3855 | Fx: (517) 552-3666

February 3, 2017

City of Chelsea
Attn: Derik Bollinger, DPW Superintendent
440 West North Street
Chelsea, MI 48118

Quotation pricing based on City of Rochester Hills RFP-RH-13-030 awarded November 2013

Single Axle Snow Patrol Equipment Quotation

Install Crysteel 10' Select Dump Body including the following:

6 - 8 cubic yard capacity
120" body length, 96" outside width, 87" inside width
42" front height, 26" side height, 36" rear height
Single panel, pressed-in horizontal side braces
7 ga A1011 steel front, sides and rear pillars
Construction of the sides shall include a boxed top rail
Body will include full-depth rear pillar posts constructed of 7 ga A1011 steel
¼" AR450 floor
Western crossmemberless 10" I-beam type understructure
6-panel tailgate design constructed of 7 ga A1011 steel
Tailgate will be manually-operated
½ cabshield constructed of 10 ga A1011 steel with formed angular upright supports and continuously weld to front of the dump body
Install body prop kit on each side of the frame
Install 4-hole light wedges on rear pillars for lighting
Install branch deflector on cabshield to protect tarp system, curbside
Install one (1) stainless steel fold-down ladder, side-mounted on streetside rear of dump
Install two (2) shovel holders on bulkhead of dump, one on streetside and one on curbside
Install 12" hardwood sideboards
Install mudflaps in front of and behind the drive tires
Bottom of the body, body hinge, body props and attaching hardware painted Black

Install Crysteel Roller-Combo RC750 Underbody Hoist NTEA Class 50 including the following:

Hoist is double-acting with full-length sub-frame
Twin body props mounted to the sub-frame
Remote lube grease line kit with manifold for hoist
Rear hinge assembly with stainless steel pins

Install Roll-Rite Electric Tarp System including the following:

Aluminum tarp and tension arms with offset elbows
Aluminum wind deflector
Direct-drive motor
Mesh-type tarp cover

Install Rexroth A10V074 Hydraulic Load-Sense Piston Pump including the following:

Pump is front-mounted with 74CC displacement
Front crossmember for pump mounting
Spicer 1310 driveline
12-volt auto shutdown block
Low-oil shutdown valve and over-ride circuit

TRUCK & TRAILER *Specialties, Inc.*

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Install Rexroth 6M4-12 Load-Sense Hydraulic Valve including the following:

Pressure-compensated flow controls for the following functions:

- Air section for hoist with 500 PSI A-port load-sense limit DA
- Air section for scraper up/down with load-sense limit DA
- Air section for scraper swing DA
- Air section for front plow up/down DA
- EPC section for V-box conveyor
- EPC section for V-box spinner

Stainless steel pipe for hydraulic lines to rear

Stainless steel hydraulic quick couplers (plumbed for existing Swenson spreader)

Install four (4) air-control levers (ordered L-R from driver):

- Apsco single-axis lever for scraper up/down (#1)
- Apsco single-axis lever for scraper swing (#2)
- Apsco single-axis lever for front plow up/down (#3)
- Apsco single-axis lever for hoist w/detent (#4)

Install Rexroth CS520 Electric Salt Spreader Controller including the following:

Able to operate in open-loop operation, groundspeed orientation, groundspeed triggered or manual modes including pause & blast features

Controller to be console-mounted

All necessary wiring for valves

Install Monroe Combination Hydraulic Oil/Valve Enclosure including the following:

7 gauge type 201 stainless steel construction

38 gallon oil capacity

Mounted behind cab above frame with ship and car channel mounting brackets

Valve enclosure with lockable "T" handle latch, contained within driver's side of combo tank

5 psi pressurized tank cap on hydraulic tank

3" supply port on hydraulic tank with 3" x 2" suction strainer

2" ball valve shutoff for supply line to the hydraulic pump

3/4" case drain shutoff

Tank-mounted Zinga-type return line oil filter

Low-oil sensor mounted in the top of the tank with an adjustable height

Install large step mounted on the left end of the combo unit

All necessary hoses and fittings

Install Monroe model 4511 Underbody Scraper including the following:

11' x 20" x 1" moldboard

1/2" thick hanger board with grease manifold brackets installed

Two, 4" power-reverse cylinder with 2" Socatri rods

Two, 3.5" actuating cylinders with 2" Socatri rods

All cylinders have poly pack seals

1" circle with 5" greasable center bolt

Circle includes a welded in hardened bushing

2" clevis bosses on power-reverse cylinders

Contoured circle clamps with poly type wear pads

Three reinforced moldboard hinges with gussets

3/8" pipe and hoses for faster scraper actuation

Hinge shaft is 2.5" cold-rolled round stock

Moldboard hinges are constructed of 3/8" wall DOM tubing

Adjustable j-50 relief valve is included

Cushion valve for power reverse circuit is included

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Remote lube manifolds and grease lines

Piloted center pin

Bolt-in trunnion caps for canisters

Install one (1) Kennametal carbide curbguard, curbside end of moldboard

Install one (1) serrated step on end of moldboard, streetside

Paint Orange bands at each end of moldboard

Install 29" Hustling truck-portion Hitch (mounted at 37" to centerpin) including the following:

12" Channel front bumper with tapered ends

3" DA lift cylinder with Socatri rod

Install front tow hooks on kicker legs

All necessary supports and braces

Install Custom Lighting & Electrical including the following:

Chassis 6-pack of switches: work lights, amber warning lights, low-oil override

Indicator lights for body-up light and low-oil light on control console

Tarp switch and low-oil override switch located on control console

One (1) 4" LED work light mounted at rear for spreader, driver's side

Two (2) 4" LED work lights mounted for scraper, each side

4-hole oval tapered stainless steel light boxes welded on rear pillar posts of dump body:

Two (2) SoundOff LED Green flashers mounted in top holes

Two (2) SoundOff LED stop/turn/tail lights mounted in 2nd from top holes

Two (2) SoundOff LED backup lights mounted in 3rd from top holes

Two (2) SoundOff LED Amber flashers mounted in bottom holes

Plow lights with aluminum plow light brackets installed (74" from ground to bottom of light)

Four (4) SoundOff Predator2 LED warning lights mounted on cabshield, two (2) forward-facing and two (2) side-facing

LED marker light kit for dump body including 3-light cluster at rear

Ground wire for lights routed to firewall and connect to a protected independent ground point

Proximity switch for body-up light

Betts junction box mounted at the rear of the dump body

Backup alarm

Install Rear 3/4" Steel Mounting Plate including the following:

Heavy-duty D-rings for safety chains

No pintle hook

No plug

Remount OEM tow hooks

Paint hitch as necessary

Paint Bottom of the body, body hinge, body props, attaching hardware and rear hitch painted black

Above installed and non-stainless painted: \$49,350.00 ea.

Option #1:

Install 7 ga 201 stainless steel dump body & 10 ga 201 stainless steel cabshield in lieu of 7 ga A1011 dump & 10 ga A1011 steel cabshield

Option #1 add: \$3,631.00 ea.

Payment Terms: Net 30. Pricing effective for 90 days.

FOB: City of Chelsea

Delivery: 270-300 days ARO

TRUCK & TRAILER *Specialties, Inc.*

1200 Victory Drive | Howell, MI 48843 | www.ttspec.com | Ph: (517) 552-3855 | Fx: (517) 552-3666

Minimum full 1-year warranty on parts and labor for all equipment.

Crysteel Select Dump & Roller-Combo Hoist offers a 5-year factory warranty, 100% of defective material and/or workmanship for first the 3 years, followed by 50% for years 4 & 5

Chassis requirements will be provided by Wolverine Freightliner holder of Rochester Hills RFQ contract:

CA = 108" to be confirmed at order

6-pack of switches

Front frame extension

Front PTO provision

Stationary grille

Exhaust after treatment mounted under the curbside door

Right side with a vertical tailpipe

Plow light/Headlight switch and related OEM wiring

Delete OEM front bumper

Thank you for the opportunity to quote.

Respectfully submitted by,
Jon Luea/Dan Bouwman

Shults Equipment

Dump Body and
Underbody Scraper
Quote

Shults Equipment, LLC.
1532 S. State Road
Ithaca, MI. 48847
Ph. 800-292-9297 FAX: 989-875-2922

Date: July 17, 2017

To: Village of Chelsea
Attn: Robert

In response to your request for equipment pricing, we would like to quote the following for your consideration.

Galion model 433U-SMS 10'x 7' 5.7/7.9 cubic yard dump body, 7 ga. 201#4 stainless steel sides, front, and tailgate, ¼" AR450 steel floor, crossmemberless under-structure, 6 panel air operated tailgate, 10 ga. 201#4 stainless steel ½ "L" type cab shield, U850DDA double acting hoist, LED light kit, backup alarm, body prop, body up light, anti-sail mud flaps behind rear tires, a grip strut step will be mounted over the rear tire on the drivers side with a grab handle on the top rail, two (2) shovel holders mounted to front side of body, 2"x 12"x 10' hardwood side boards mounted, No paint on the body with the underside painted black.

A strobe light system consisting of four (4) amber LED self contained oval strobe lights, two mounted in the front lip of the cab shield facing forward, two mounted in the sides of the cab shield facing outward, and two (2) amber/green LED self contained oval strobe lights mounted in the top hole of the stainless steel three oval hole light housing on the rear corner posts. In the middle hole of the housing LED oval stop/turn/tail lights will be mounted, and in the bottom hole LED oval backup lights will be mounted.

Between the cab and the body on the passenger side, mount one LED work light for the scraper operation. Switch will be in the dash of the cab. Mount one LED work light in the bottom of the light housing on the rear corner post drivers side for future spreader operation.

Roll-Rite aluminum electric tarp system complete with housing, and heavy duty mesh cover. Install a branch guard on curb side to protect tarp assembly.

Root model F-8900-DPR-11' underbody scraper complete with dual cylinder power reverse, 1" solid circle, 1" moldboard with pressed in offset, Nitrotec treated piston rods in all cylinders, 5" center swivel bolt, 20.5" circle clamps with poly shims, and a cushion valve for reverse cylinders.

Root 29" quick hitch truck half only with lift cylinder &

bracing all to be mounted on a 10" channel bumper, tapered on both ends, with cutouts for tow hooks if necessary.

A set of plow lights with turn signals will be installed to the sides of the hood on stainless steel brackets with rubber between the bracket and the hood.

Riverside 60/26 gal. back of cab combination fuel/hyd. oil tanks all 7 ga. steel, mounted on an angle carriage with 3 straps, caps, intank return filter assembly, 3" suction strainer, 5" sight & temperature gauge for oil tank, low oil sensor in tank, with over ride switch and lights mounted in the cab, tanks painted to match cab.

Hot shift PTO with gear pump mounted to the transmission, control valve to operate double acting dump body, front plow U/D, power reverse underbody scraper, electric controller for future spreader conveyor or auger, and spinner, valve to be mounted on the outside truck frame best location in a stainless steel enclosure, function to be operated via air controls. The above equipment is to be installed on your truck in our shop in Ithaca, MI.

Total price for one (1) unit: \$ 52,671.00.

Price is firm for 30 days.

Price: F.O.B. Ithaca, MI. - Installed.

Delivery: **150 to 180 WORKING DAYS A.R.O.**

Terms: Net 30 days.

Warranty: One (1) year materials & workmanship.

CHASSIS MUST HAVE THE FOLLOWING FOR PROPER INSTALLATION OF EQUIPMENT:

1. 168" wheelbase.
2. 102" cab to axle.
3. Exhaust passenger side vertical behind cab.
4. PTO provision of transmission for PTO/pump installation.
5. 4 to 6 extra switches in the cab dash.
6. Plow light switch & wiring harness to front of chassis.
7. Stationary grill.
8. Front integral frame extension min. 18" to 20".
9. Bucket seats for room to install controls.
10. Hook up for ground speed.

Thanks,
Shults Equipment, LLC.

Pat Vernon, Sales Rep.

Financing Options

US Bancorp

Chelsea State Bank

Comerica



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Government Leasing and Finance

September 13, 2017

City of Chelsea, MI

At your request, U.S. Bancorp Government Leasing and Finance, Inc. ("USBGLF") has prepared for your consideration the following proposal for financing ("Proposal"). **This is only a proposal and does not represent a commitment by U.S. Bancorp Government Leasing and Finance, Inc.**

Customer:	City of Chelsea						
Lender:	U.S. Bancorp Government Leasing and Finance, Inc.						
PROPERTY:	Dump Truck with Plow						
EXPIRATION:	October 21, 2017						
LEASE QUOTE:	Amount	Rate	Payments	Factor	Pmts / Year	Term	Adv. / Arr.
	142,750.00	2.350%	30,318.40	0.212388	1	55 Months	Arrears

Notes: Funds will be deposited into a no fee U.S. Bank N.A. escrow account at closing. Lessor expects to use standard documentation and no external counsel. Prepayment is permitted after 13 months, in full, on any payment date at 103% of outstanding balance. Attached Amortization Schedules assume 9/29/17 closing/funding date.

The Lease will be structured as an additional Schedule to the existing Master Tax-Exempt Installment Purchase Agreement dated February 16, 2016, with title in the Lessee's name and USBGLF holding a security interest in the equipment during the term. The lease is "triple-net" with the Lessee responsible for taxes, maintenance and insurance. Documentation will be provided by USBGLF, including (i) standard representations, warranties and covenants by the Lessee pertaining to the accuracy of information, organization, authority, essential use, compliance with laws, pending legal action, location and use of collateral, insurance, financial reporting and financial covenants; and (ii) standard USBGLF provisions pertaining to events of default and remedies available upon default. This offer is subject to the execution of all documentation by the Lessee within a reasonable time and in form and substance acceptable to Lessee, USBGLF and USBGLF's counsel, including terms and conditions not outlined in this Proposal.

This Proposal is conditioned on there being no material adverse change in the financial condition of the Lessee. Additionally, the terms and conditions outlined herein are subject to final review and approval (including collateral and essential use review) by USBGLF's business, legal, credit, and equipment risk management personnel. If you would like to proceed, please complete the Essential Use Application and return along with a link to your 3 most recent Comprehensive Annual Financial Reports.

Thank you for the opportunity to present this proposal. Other financing options are available on request.

Sincerely,

Denise Beauchamp

Denise Beauchamp
Vice President
Direct (904)284-3520
denise.beauchamp@usbank.com



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Government Leasing and Finance

Chelsea MI

Compound Period: Monthly

Nominal Annual Rate: 2.350%

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	9/29/2017				142,750.00
1	4/29/2018	30,318.40	1,968.40	28,350.00	114,400.00
2	4/29/2019	30,318.40	2,717.55	27,600.85	86,799.15
3	4/29/2020	30,318.40	2,061.89	28,256.51	58,542.64
4	4/29/2021	30,318.40	1,390.67	28,927.73	29,614.91
5	4/29/2022	30,318.40	703.49	29,614.91	0.00
Grand Totals		151,592.00	8,842.00	142,750.00	

Kim Garland

From: Steve J. Saules <ssaules@csbonline.com>
Sent: Wednesday, August 23, 2017 11:05 AM
To: Kim Garland
Cc: Mary Lee Penney
Subject: RE: Truck purchase...

Hello Kim,

The only way we can do a tax exempt loan is via an Installment Purchase Agreement (provided by municipality's council along with a tax-exempt opinion).

On a 5-year deal we would propose approximately 2% as of today. This would have to be re-quoted nearer to closing based on the spread over 5-year treasuries.

CSB would be eager to be your finance partner in this transaction if it works for you.

Please let me know your thoughts on this email.

Steve J. Saules
VP Commercial Lending
Chelsea State Bank
1010 S. Main St.
Chelsea, MI 48118
(734) 475-1355 ext. 1114
Direct (734) 385-1114
Cell (734) 546-8129
Fax (734) 475-7740
ssaules@csbonline.com

[CSB Secure Upload Portal](#)

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Comerica

CITY OF CHELSEA, MI

Sample Amortization - First Annual Payment due at Commencement (Upon payment to vendor)

Lease Information		Summary	
Lease Amount	142,000.00	Rate (per period)	4.225%
Annual Interest Rate	4.2250%	Number of Payments	5
Term of Lease in Years	5	Total Payments	153,988.65
First Payment Date	9/30/2017	Total Interest	11,988.65
Payment Frequency	Annual		
Compound Period	Annual		
Payment Type	Beginning of Period		
Annual Payment	30,797.73		

Amortization Schedule

No.	Due Date	Payment	Interest	Principal	Balance
					142,000.00
1	9/30/17	30,797.73	0.00	30,797.73	111,202.27
2	9/30/18	30,797.73	4,698.30	26,099.43	85,102.84
3	9/30/19	30,797.73	3,595.59	27,202.14	57,900.70
4	9/30/20	30,797.73	2,446.30	28,351.43	29,549.27
5	9/30/21	30,797.73	1,248.46	29,549.27	0.00