

ITEMS #106-19 AND #107-19 EXPLANATION OF BIDS



Earl Gibson
Public Works Superintendent
Office (207) 865-4461
Fax (207) 865-0244

Department of Public Works
7 Hunter Road, Freeport, ME 04032
Mailing Address:
30 Main Street, Freeport, ME 04032

June 3, 2019

MEMO

To: Town Manager, Peter Joseph,

From: DPW Superintendent, Earl Gibson

RE: Explanation of Plow & Truck Bids

In the past when preparing bids, I have always allowed for a 2-3% increase in price from year to year. In preparing this year's capital budget I allowed for the 2-3% increase in price from the last purchase of plow truck and equipment made. However, I did not anticipate the tariffs in playing such a role in this year's equipment and truck prices. It appears that increase has been as much as 6-7% since we made our last purchase of a plow truck.

We had received bids that were \$9,000 over budget. After revising some of the plow gear spec's we were able to reduce that overage to \$1,690.

With that said, in this year's 2019-20 budget we allowed for \$150,000 for replacement of a plow truck. With the bids that were submitted, the truck and plow equipment come to \$151,690, which is an overage of \$1,690. Therefore, I am asking the Council to approve the bid prices with the overage, understanding that the overage of \$1,690 will come out of the Public Works reserve. The current Public Works reserve is \$929,782.

Sincerely,
Earl Gibson