

STAFF REPORT
City of Lancaster

CC 5
02/26/13
MVB

Date: February 26, 2013

To: R. Rex Parris and City Council Members

From: Robert Neal, Director of Public Works

Subject: **Appropriation for Motor-Grader All Wheel Drive (AWD)**

Recommendation:

Appropriate \$48,498.85 to Account No. 104-4740-763 for the purchase of one Motor-Grader All Wheel Drive (AWD), Model #120M2, and award contract to Quinn Company in the amount of \$293,233.85. The contract amount was competitively bid through the National Joint Powers Alliance (NJPA) and includes both the 5-year extended warranty and mobile communications option.

Fiscal Impact:

\$190,000.00 was approved with the adoption of the FY 2012-13 budget to Account No. 104-4740-763 for the purchase of a used motor-grader. Staff worked with Quinn Company, the local Caterpillar dealer, to obtain quotes on a late model used motor-grader through the private sector market. With a trade-in value of \$55,000.00 on the existing piece of equipment and quotes received for a used model in the specification requested, pricing was such that requesting additional funding in the amount of \$48,498.85 to purchase a new-motor-grader would be a more fiscally responsible decision based on the life expectancy of the equipment. Funding will be borrowed from the Capital Replacement account and replaced over the next three years, in equal installments, through maintenance cost savings and resulting budget reductions in the Vehicle Operation line of accounts 4740 and 4743.

Background:

As part of the Capital Replacement Program, this procurement will replace an existing grader (EQ 3729) that was purchased as a used machine in January 1994. EQ 3729 is a 1989 model and is now 24 years old and has reached the end of its useful operating life.

Vendor	Quinn Company
Base Price	\$269,265.00
Tax	\$24,233.85
Extended 5-Year Warranty	Included
(Less) Trade-in Value 140G	<u>(\$55,000.00)</u>
Net Costs	\$238,498.85

RL:pjp