



City of Grand Island

Tuesday, March 8, 2022

Council Session

Item G-4

#2022-54 - Approving Bobcat Excavator Lease Agreement for the Utilities Underground Division

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

From: Tim Luchsinger, Utilities Director

Meeting: March 8, 2022

Subject: Approving Lease Agreement for Bobcat Excavator

Presenter(s): Tim Luchsinger, Utilities Director

Background

The Grand Island Utilities Department Underground Division routinely installs new underground electrical infrastructure for new residential, commercial and industrial developments. Oftentimes, crews are installing infrastructure in multiple locations at once. Up until a couple of years ago, the underground division was able to keep up with the amount of work with a single backhoe that is owned by the department. However, the last several years have been exceptionally busy requiring the routine rental of a small excavator to allow more crew flexibility. During calendar year 2020, approximately \$14,000 was spent on weekly and monthly rental charges for this unit. The decision was made to lease a unit in 2021 for \$5,800 providing a less expensive solution. A lease agreement for a similar unit for 2022 is \$6,800.

Discussion

The pricing of the lease is based upon Sourcewell, a government pricing organization. Bobcat is responsible for any repairs to the unit. Grand Island Utilities would only need to perform routine maintenance such as oil changes. The annual cost is significantly lower than the charges incurred during 2020 for the rental of the unit.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand.

The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to a future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the lease agreement with Hometown Leasing for the amount of \$6,800.

Sample Motion

Move to approve the lease agreement with Hometown Leasing for the amount of \$6,800.

EXHIBIT A

DESCRIPTION OF EQUIPMENT

RE: Government Obligation Contract dated as of _____, 2022, between Hometown Leasing (Obligee) and City of Grand Island Utilities Department, Grand Island, NE (Obligor)

Below is a detailed description of all the items of Equipment including quantity, model number and serial number where applicable:

One (1) 2022 Bobcat E35 33HP R2-Series Compact Excavator, Serial #
_____.

Physical Address of Equipment after Delivery: 1116 W. N. Front St, Grand Island, NE 68801

RESOLUTION 2022-54

WHEREAS, the Grand Island Utilities Department, Underground Division routinely installs new underground electrical infrastructure for new residential, commercial and industrial developments; and

WHEREAS, crews are installing infrastructure in multiple locations at one time, and more than one backhoe excavator is needed; and

WHEREAS, the last several years have been exceptionally busy requiring the occasional rental of a small excavator to allow for more crew flexibility, and during 2020, approximately \$14,000.00 was spent on weekly and monthly rental charges for this unit; and

WHEREAS, a less expensive option would be an annual lease of the equipment for \$6,800.00 based upon Sourcewell, a government pricing organization.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Lease for the Bobcat Excavator for the Utilities Department, Underground Division is approved, and the Mayor is hereby authorized to sign the lease on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, March 8, 2022.

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☒ _____
March 4, 2022	☒ City Attorney