



# City of Grand Island

Tuesday, November 22, 2022

Council Session

## Item G-8

**#2022-329 - Approving Skid Steer Buy-Back for Streets Division**

Staff Contact: Keith Kurz PE, Interim Public Works Director

# Council Agenda Memo

**From:** Shannon Callahan, Street Superintendent  
**Meeting:** November 22, 2022  
**Subject:** Approving Skid Steer Buy-Back for Streets Division  
**Presenter(s):** Keith Kurz PE, Interim Public Works Director

## Background

The Streets Division currently owns two compact track loaders (skid steers). One compact track loader is a front line machine for the Streets Division’s concrete repair crew that is primarily used for concrete removal (sawing, hammering, and excavating). The other compact track loader is used mainly for asphalt roadway patching by clearing and loading millings from sections of roadway in preparation for new hot-mix asphalt.

In November of 2014, the City Council approved the purchase of two new skid steers and future participation in a buyback program with Central Nebraska Bobcat of Grand Island, NE. The Buyback program gives the City an opportunity to own a new machine, at minimal cost, each year lowering the risk of down time for a key piece of equipment and reducing equipment maintenance costs.



*Example of Skid Steer/Compact Track Loader*

## Discussion

The Net Cost breakdown for each skid steer is shown in the tables below.

<b>T76 T4 Bobcat Compact Track Loader</b>	
New Machine Cost	\$75,439.96
Trade Value	\$54,064.62
Net Purchase Price	\$21,375.34

<b>T66 T4 upgrade to T76 T4 Bobcat Compact Track Loader</b>	
New Machine Cost (T76)	\$75,439.96
Trade Value (T66)	\$50,804.82
Net Purchase Price	\$24,635.14

The smaller of the two existing skid steers is being proposed for a size upgrade that increased the net cost by \$7,934.89. This larger size has higher reach to dump trucks load trucks and a wider bucket for more productivity. This will also allow use by all crews saving on wear/tear parts, such as tracks, giving the ability to balance the amount of hours per machine.

The net purchase price is a significant increase from years past due to the current state of economy, including surcharges for steel. There was discussion on not participating in the program this year due to this fact; but it was determined that the trade value would continue to decrease if kept another year while the new machine prices are unlikely to stay the same or decrease. Therefore, the net difference may continue to get larger if the program is placed on hold.

New machine pricing is consistent with Sourcewell Contract No 040319-CEC awarded to Clark Equipment Co dba Bobcat Company; with Central Nebraska Bobcat of Grand Island, NE assigned as our authorized dealer.

Public Works staff is recommending participation in the buyback program and the purchase of a new a T76 T4 compact track loader for \$75,439.96 with a trade-in value of \$54,064.62 for a net purchase price of \$21,375.34 and the purchase of a new T76 T4 compact track loader for \$75,439.96 with a trade-in value of \$50,804.82 for a net purchase price of \$24,635.14 from Central Nebraska Bobcat of Grand Island, NE.

### **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 future date
4. Take no action on the issue

### **Recommendation**

City Administration recommends that the Council approve the participation in the buyback program and the purchase of a new a T76 T4 compact track loader for \$75,439.96 with a trade-in value of \$54,064.62 for a net purchase price of \$21,375.34 and the purchase of a new T76 T4 compact track loader for \$75,439.96 with a trade-in value

of \$50,804.82 for a net purchase price of \$24,635.14 from Central Nebraska Bobcat of Grand Island, NE.

**Sample Motion**

Move to approve the resolution authorizing the continued participation in Sourcewell Contract No. 040319-CEC for the purchase of two new T76 T4 compact track loaders from Central Nebraska Bobcat of Grand Island, NE for a combined net purchase price after buyback of \$46,010.48.

RESOLUTION 2022-329

WHEREAS, the City of Grand Island City Council approved participation in a buyback program with Central Nebraska Bobcat of Grand Island, NE in November of 2014; and

WHEREAS, Sourcewell Contract No. 040319-CEC was awarded to Clark Equipment Co dba Bobcat Company and authorized Central Nebraska Bobcat of Grand Island, NE to offer said contract pricing to the City of Grand Island, Nebraska; and

WHEREAS, Central Nebraska Bobcat quoted a price for purchasing a new a T76 T4 compact track loader for \$75,439.96 with a trade-in value of \$54,064.62 for a net purchase price of \$21,375.34; and

WHEREAS, Central Nebraska Bobcat quoted a price for purchasing a new T76 T4 compact track loader for \$75,439.96 with a trade-in value of \$50,804.82 for a net purchase price of \$24,635.14.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the purchase of a new a T76 T4 compact track loader for \$75,439.96 with a trade-in value of \$54,064.62 for a net purchase price of \$21,375.34 and the purchase of a new T76 T4 compact track loader for \$75,439.96 with a trade-in value of \$50,804.82 for a net purchase price of \$24,635.14 from Central Nebraska Bobcat of Grand Island, NE is approved.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, November 22, 2022.

\_\_\_\_\_  
Roger G. Steele, Mayor

Attest:

\_\_\_\_\_  
RaNae Edwards, City Clerk

Approved as to Form    ✕ \_\_\_\_\_  
November 18, 2022     ✕ City Attorney