



# City of Grand Island

Tuesday, November 24, 2015

Council Session

## Item G-5

**#2015-317 - Approving Buy Back for One (1) Four-Wheel Drive Skid Steer Loader for the Street Division of the Public Works Department**

Staff Contact: John Collins, P.E. - Public Works Director

# Council Agenda Memo

**From:** Shannon Callahan, Street Superintendent

**Meeting:** November 24, 2015

**Subject:** Approving Buy Back for One (1) Four-Wheel Drive Skid Steer Loader for the Street Division of the Public Works Department

**Presenter(s):** John Collins PE, Public Works Director

## Background

The four-wheel drive skid steer loader is mainly used for asphalt roadway patching. The equipment clears and loads millings from sections of roadway in preparation for new hot-mix asphalt.

In November of 2014, the City Council approved the purchase of a new four-wheel drive skid steer loader 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. The details of the approved buyback program are attached.



*Examples of Skid Steer Loaders*

## Discussion

The purchase price of a new four-wheel drive skid steer loader is \$33,628.34 with an estimated trade-in value of \$31,428.34 for the old unit; net purchase price for the new four-wheel drive skid steer would be \$2,200. This price is based on 250 hours of use on the old skid steer which may vary slightly at time of delivery. The breakdown calculation of cost based on the buyback program is below.

<b>S570 T4 Bobcat Skid Steer Loader</b>	
<b>Cost of Use</b>	
\$6/HR @ 250 HRS	\$1,500.00
New Machine Price Increase	\$700.00
<b>Net Purchase Price</b>	<b>\$2,200.00</b>

Public Works staff is recommending the purchase of One (1) New Four-wheel drive Skid Steer Loader from Central Nebraska Bobcat of Grand Island, NE for \$33,628.34 with a trade-in of \$31,428.34 for a net price purchase price of \$2,200.00.

## 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 purchase of One (1) New Four-wheel drive Skid Steer Loader from Central Nebraska Bobcat of Grand Island, NE for \$33,628.34 with a trade-in of \$31,428.34 for a net price purchase price of \$2,200.

## Sample Motion

Move to approve the purchase of One (1) New Four-wheel drive Skid Steer Loader from Central Nebraska Bobcat of Grand Island, NE for \$33,628.34 with a trade-in of \$31,428.34 for a net price purchase price of \$2,200.



### **Central Nebraska Bobcat**

3809 Westgate Rd. Grand Island, NE 68803 308-384-9222

2634 Hwy 30 East, Kearney, NE 68847 308-236-6003

South Central Bobcat 2411 Osborne DR East Hastings, NE 68901 402-462-5332

## **SKID STEER LOADER BUY-BACK/RE-PURCHASE PROGRAM**

Central Nebraska Bobcat offers a re-purchase program with the following stipulations.

The initial purchase must participate in Bobcat's Municipal Discount program and each year the re-purchase must qualify for the Municipal Discount program.

Yearly the equipment purchased must be traded for a new machine with the same options as the trade. The traded machine must be in good condition with normal wear and tear expected. There should be no extensive damage needing repaired or the machine will not qualify for the re-purchase program. Upon meeting these requirements the machine will be traded with the new machine at a cost to the customer of \$6.00 per hour on the traded machine if the tires and wheels of the traded machine are kept for the new machine plus any price increases, or \$8.00 per hour on the traded machine if new tires and wheels are requested plus any price increases.

We will honor this re-purchase agreement as long as all equipment qualifies for the Municipal Discount Program offered by Bobcat.

RESOLUTION 2015-317

WHEREAS, the City of Grand Island approved participation in a buyback program with Central Nebraska Bobcat of Grand Island, NE in November of 2014 for a four-wheel drive skid steer loader; and

WHEREAS, Central Nebraska Bobcat quoted a price for purchasing a new rubber tire skid loader for \$33,628.34; and

WHEREAS, Central Nebraska Bobcat offered a trade-in value of \$31,428.34 for the Streets Divisions' current skid steer loader based on 250 hours of use; and

WHEREAS, participation in the buyback of the four-wheel drive skid steer loader would cost a net of \$2,200.00.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the purchase of One (1) New Rubber Tire Skid Steer Loader from Central Nebraska Bobcat of Grand Island, NE for \$33,628.34, with a trade-in of \$31,428.34, for a net price purchase price of \$2,200 is approved.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, November 24, 2015.

\_\_\_\_\_  
Jeremy L. Jensen, Mayor

Attest:

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

Approved as to Form	☐ _____
November 20, 20152	☐ City Attorney