



City of Grand Island

Tuesday, November 24, 2015

Council Session

Item G-6

#2015-318 - Approving Buy-Back for One (1) Compact Track 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) Compact Track Loader for the Street Division of the Public Works Department

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

Background

The compact track loader is a front line machine for the Street Division's concrete repair crew that is primarily used for concrete removal (sawing, hammering, and excavating). The tracks on the machine make it ideal for cleaning detention cells and performing dirt work. This unit has a number of attachments that allow it to be used for other functions like loading trees and mowing. It is one of the most versatile and heavily used pieces of equipment that is owned by the Street Division.

In November of 2014, the City Council approved the purchase of a new compact track 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 Compact Track Loaders

Discussion

The purchase price of a new compact track loader is \$48,188.17 with an estimated trade-in value of \$41,097.17 for the old unit; net purchase price for the new compact track loader would be \$7,091.00. This price is based on 600 hours of use on the current compact track loader which may vary slightly at time of delivery. The breakdown calculation of cost based on the buyback program is below.

T650 T4 Bobcat Compact Track Loader	
Cost of Use	
\$11/HR @ 600 HRS	\$6,600.00
New Machine Price Increase	\$491.00
Net Purchase Price	\$7,091.00

Public Works staff is recommending the purchase of One (1) New Compact Track Loader from Central Nebraska Bobcat of Grand Island, NE for \$48,188.17 with a trade-in value of \$41,097.17 for a net price purchase price of \$7,091.00.

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 Compact Track Loader from Central Nebraska Bobcat of Grand Island, NE for \$48,188.17 with a trade-in value of \$41,097.17 for a net price purchase price of \$7,091.00.

Sample Motion

Move to approve the purchase of One (1) New Compact Track Loader from Central Nebraska Bobcat of Grand Island, NE for \$48,188.17 with a trade-in value of \$41,097.17 for a net price purchase price of \$7,091.00.



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

TRACK 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 \$11.00 per hour on the traded machine 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 2015-318

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 compact track loader; and

WHEREAS, Central Nebraska Bobcat quoted a price for purchasing a new compact track loader for \$48,188.17; and

WHEREAS, Central Nebraska Bobcat offered a trade-in value of \$41,097.17 for the Street Division's current compact track loader based on 600 hours of use; and

WHEREAS, participation in the buyback of the compact track loader would cost a net amount of \$7,091.00.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the purchase of One (1) New Compact Track Loader from Central Nebraska Bobcat of Grand Island, NE for \$48,188.17, with a trade-in of \$41,097.17, for a net price purchase price of \$7,091.00 is approved.

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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