

CITY OF CLARKSTON

CLARKSTON COCUNICL MEETING

BUSINESS AGENDA / MINUTES

MEETING DATE: November 5, 2015

ITEM NO: F2

ACTION TYPE:  
Resolution

HEARING TYPE:  
Council Meeting

SUBJECT: Purchase Cat 242D Skid Steer Loader and Cat 416F2 Backhoe Loader

DEPARTMENT: Administration

PUBLIC HEARING:  YES  NO

ATTACHMENT:  YES  NO  
Pages: 16

INFORMATION CONTACT: Keith Barker  
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**PURPOSE:** To approve the purchase of a Cat 242D Skid Steer Loader and Cat 416F2 Backhoe Loader from Yancey Brothers Company.

**NEED/ IMPACT:** The Public Works Department has no working heavy equipment in its inventory. The current Skid Steer Loader is 17 years old and was received as surplus equipment from DeKalb County in 2009. This equipment has far exceeded its expected life cycle. The Skid Steer is currently inoperable and the City has spent \$7,500 in repair costs over the previous three years. The cost to repair this piece of equipment is greater than its value and replacement is the financially prudent course of action. The City currently does not own a Backhoe Loader. Both pieces of equipment are basic machinery that any Public Works Department must possess to function adequately. Failure to possess this type of equipment will result in basic road and sewer system infrastructure repair and maintenance to not occur or require contracting with a third party vendor at much greater costs.

The cost of the Backhoe Loader is \$98,918. The cost of the Skid Steer is \$43,568. The total cost for both will be \$141,886. The equipment will be purchased utilizing a 60 month lease purchase agreement with a fixed interest rate of 3.2%. Monthly payments will be \$2,618.29. Total payments with interest will be \$154,479.11. The monthly cost for the Skid Steer will be appropriated from the Public Works general fund budget. The monthly cost for the Backhoe will be appropriated from the Storm water Utility Fund budget.

Both pieces of equipment are on the Statewide Contract Number: 0000009858.

**RECOMMENDATIONS:**

Staff recommends that the Council vote to authorize entering into a lease purchase agreement with Yancey Brothers Co. to purchase a Cat 242D Skid Steer Loader and Cat 416F2 Backhoe Loader.