Ivins City Staff Report
City Council Meeting 10/2/2014

Agenda Item: Approval of Backhoe Lease

Submitted by: David Glenn, Public Works Director

Recommended City Council Action: Approve Three-Year Caterpillar Backhoe Lease Agreement through Wheeler Machinery

BACKGROUND: The City has been taking advantage of the Governmental Lease Program for several years on backhoes used in the Public Works Department. These leases provide an economical way for municipalities to obtain new equipment without the large expense of outright purchase and ongoing maintenance and repair costs. With the lease program, the dealer performs all maintenance and mechanical repairs during the lease period with the exception of damages. Caterpillar is the only company that offers a governmental lease program.

FINDINGS AND ANALYSIS:

- The existing lease is at the end of its term
- Leases can be up to three years in duration
- Leasing saves the City considerable maintenance and repair costs
- List price for a new machine to purchase outright is approximately of $115,000
- Current lease amount is $8,500/year; new lease amount is $7,000/year
- This is a budgeted expense

SUPPORT MATERIALS:

- Governmental Lease Program attached

FINANCIAL IMPACT:

- $7,000 per year GL# 51-40-251

Respectfully Submitted:

David Glenn, Public Works Director

Content Review:

Dale Coulam, City Manager

GOVERNMENTAL LEASE PROGRAM



420F / 420F IT

TERMS & CONDITIONS:

- NO INITIAL PURCHASE REQUIRED
- 1-year lease with annual payment due in advance
- All wear items (tires, cutting edges, bucket teeth, etc.) must be 50% or better upon return
- Prices effective August 1, 2014

DISCLAIMER: Lease provided by Caterpillar Financial. Annual lease limited to 300 hours of usage. Customer is responsible for any maintenance needed during the duration of the lease. Machine to be free from damages upon return.

CUSTOMER RESPONSIBILITIES:

- Grease machine every 10 hours of operation
- Monitor/maintain proper fluid levels
- Abnormal tire wear, flats and/or damage
- Machine damage
- Liability, theft & damage insurance

CAT® 420F Backhoe Loader

1-year lease for $6,000/year

- 1.25Y Pin On Loader Bucket
- 24" Backhoe Bucket
- Manual Backhoe Coupler
- Extendable Stick
- Cab w/ Heat and AC
- 4 Wheel Drive
- 300 Hours of usage

CAT® 420F IT Backhoe Loader

1-year lease for $7,000/year

- IT Configuration
- Front Loader Coupler
- 1.3Y Coupler Bucket
- Forks
- 24" Backhoe Bucket
- Manual Backhoe Coupler
- Extendable Stick
- Cab w/ Heat and AC
- 4 Wheel Drive
- 300 Hours of usage

For more information, please contact:

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Wheeler CAT

wheelercat.com