Ivins City Staff Report
City Council Meeting 2/18/2021

Agenda Item: Approval of expenditure to purchase/trade-in backhoe loaders

Submitted by: Charles R Gillette, P.E. Public Works Director and City Engineer

Recommended City Council Action:
Approve expenditure of $201,500 (net purchase $51,500) to purchase backhoe loaders

BACKGROUND:

In 2019, the city purchased two new backhoes. Prior to then, the City had always utilized the lease programs that were available as many other cities did since the lease provisions were the least cost option.

When the backhoes were purchased in 2018, it was always considered that it may be most advantageous, to either use the guaranteed buyback program or sell the used equipment via auction sites or similar every few years. Since we can buy the equipment on economical state purchasing contracts, it is possible to resell equipment every few years at an extremely low cost. There is also an option of using the guaranteed buyback back to the dealer.

The City has budgeted funds to consider replacing the backhoes this year.

FINDINGS AND ANALYSIS:

	2019 Purchase	Trade-in Value	2021 Purchase of Replacements
Backhoe Loader - Front IT with forks attachment	$90,393	$75,000	$99,500
Backhoe Loader - Clamshell Bucket and Thumb attachment	$95,202	$75,000	$102,000

Staff has solicited bids for Caterpillar and John Deere equipment. Caterpillar submitted the lowest bids. They have offered to trade-in the current equipment at the above listed. Based on the trade-in values, the cost of ownership for these backhoes was less than $10,000 per year per backhoe. This seems to be the best current option for backhoe ownership especially since maintenance costs are minimal for new machines and the first year is covered by the warranty.

The new machines will not be ready for pickup until May, the City will evaluate whether it makes sense to send the machines to auction instead of trade-in, but right now the trade-in offer is a guaranteed value and appears to be in line with the initial equipment strategy.

SUPPORT MATERIALS:

- Wheeler Machinery Bids

FINANCIAL IMPACT:

This item will be purchased this fiscal year using the following GL codes:

Water Fund, 51.42740: 40%
Streets Fund, 10.60740: 25%
Sewer Fund, 52.42740: 30%
Storm Drain Fund, 53.43740: 5%

Respectfully Submitted:

Charles Gillette, P.E., Public Works Director/City Engineer

Content Review:

Dale Coulam, City Manager

134077-01

January 27, 2021

IVINS CITY

55 NORTH MAIN
IVINS, UT84738

Attention: SHILOH PENTZ



Dear Shiloh Pentz,

Thank you for your interest in Wheeler Machinery Co. and its products. I am pleased to provide you with this quote for your consideration.

New Caterpillar Model: 420 Backhoe Loaders

STOCK NUMBER: NIS
NIS **YEAR: 2021**
SERIAL NUMBER:
SMU:

Thank you for your interest in Wheeler Machinery Co. and Caterpillar products for your business needs. This quotation is valid for 30 days, after which time we reserve the right to re-quote. If there are any questions, please do not hesitate to contact me.

Sincerely,

Marco Defa
Machine Sales Representative
Wheeler Machinery Co.
mdefa@wheelercat.com
435-229-6074

If the rental equipment described herein is purchased, notice is hereby given that Wheeler Machinery Co. has assigned its rights, but not its obligations, in the sale to CATD Exchange Services, LLC, as part of a like-kind Exchange.

New Caterpillar Model: 420 Backhoe Loaders

STANDARD EQUIPMENT

BOOMS, STICKS, AND LINKAGES -BACKHOE -- 14'4" Center pivot backhoe -4.3 Meters -- Boom and swing transport locks -- Pilot operated backhoe and -electro hydraulic stabilizer controls -- Street type stabilizer shoes -- Anti-drift hydraulics (boom, stick, -and E-stick) -- Cat Cushion Swing(tm) system -LOADER -- Single Tilt Loader -- Lift cylinder brace -- Self-leveling loader with single -lever control -- Return-to-dig -(automatic bucket positioner) -- Transmission neutralizer switch -- Bucket level indicator -

POWERTRAIN -- Water separator -- Thermal starting aid system -- Dry type axial seal air cleaner with -integral precleaner -- Automatic dust ejection system -- Filter condition indicator -- Hydraulically boosted multi-plate -wet disk brake with dual pedals & -interlock -- Differential lock -- Torque converter -- Transmission-four speed manual shift -- Neutral safety switch -- Spin-on filters for -Fuel -Engine oil -Transmission oil -- Outboard Planetary Rear Axles -- Diesel particulate filter -- Hydrostatic power steering

HYDRAULICS -- Pilot hoe and mechanical loader -controls -- Load sensing, variable flow system -with 43 gpm (162 L/min) axial piston -pump -- 6 micron hydraulic filter -- Caterpillar XT-3 hose -- Hydraulic oil cooler -- Pilot control shutoff switch -- Flow-sharing hydraulic valves -- Hydraulic suction strainer -

ELECTRICAL -- 12 volt electrical start -- Horn, front and rear -- Backup alarm -- Hazard flashers/turn signals -- Halogen head lights (2) -- Halogen rear flood lights (2) -- Stop and tail lights -- Audible system fault alarm -- Key start/stop system -- 850 CCA maintenance free battery -- Battery disconnect switch -- External Power Receptacle (12v) -- Diagnostic ports for engine and -machine Electronic Control Modules

OPERATOR ENVIRONMENT -- Interior rearview mirror -- ROPS canopy, Rear Fenders -- 2-inch (50mm) retractable seat belt -- Tilt steering column -- Steering knob -- Hand and foot throttle -- Automatic Engine Speed Control -- One Touch Low Idle -- Floor mat and Coat Strap -- Lockable storage area -- Air suspension seat -

FLUIDS -- Antifreeze - Extended Life Coolant --20F (-30C)

OTHER STANDARD EQUIPMENT -- Standard Storage Box -- Transport tie-down points -- Ground line fill fuel tank with -42.3 gal (160L) capacity & 5 gal (19L) -diesel exhaust fluid -- Rubber impact strips on radiator -guard -- CD-ROM Parts Manual -- Safety Manual -- Operations and Maintenance Manual -- Lockable hood -- Tire Valve Stem Protection

MACHINE SPECIFICATIONS

420 07A BACKHOE LOADER CFG2	542-7992	BUCKET-GP, 1.4 YD3, PO	337-7388
STICK, EXTENDABLE, 14FT	543-4284	CUTTING EDGE, TWO PIECE	9R-5321
PT, 4WD/2WS, POWERSHIFT	544-1066	BUCKET-SOIL, 24", 8.5 FT3	254-8941
ENGINE, 82KW, C3.6 DITA, T4F	542-7780	INSTRUCTIONS, ANSI	559-0872
HYDRAULICS, MP, 6FCN/8BNK, ST	542-7774	SERIALIZED TECHNICAL MEDIA KIT	421-8926
CAB, DELUXE	544-0883	RIDE CONTROL	551-6453
DISPLAY, TOUCH SCREEN	545-5048	RADIO, FM BLUETOOTH	540-2298
WORKLIGHTS (8) HALOGEN LAMPS	491-6734	FAN	387-6682
SEAT, DELUXE FABRIC	573-4524	COLD WEATHER PACKAGE, 120V	551-6940
BELT, SEAT, 2" SUSPENSION	206-1747	AUTO-UP STABILIZERS	567-5090
AIR CONDITIONER, T4F	542-7810	PLATE GROUP - BOOM WEAR	423-7607
PRODUCT LINK, CELLULAR, PLE643	560-6797	GUARD, STABILIZER	353-1389
TIRES, 12.5 80/19.5L-24, GY	379-2161	SHIPPING/STORAGE PROTECTION	461-6839
COUNTERWEIGHT, 1015 LBS	337-9696	RUST PREVENTATIVE APPLICATOR	462-1033
STABILIZER PADS, FLIP-OVER	9R-6007	LOADER BUCKET PINS	545-8548
PIN ON MULTIPURPOSE FRONT BKT/CLAMSHELL		THUMB/REAR HYDRAULICS/ 24"BKT	

SELL PRICE		$102,000.00
NET BALANCE DUE		**$102,000.00**
AFTER TAX BALANCE		**$102,000.00**
Option:		
Guaranteed Buyback, 2 Year/ 600 hour usage	$79,000.00	

WARRANTY & COVERAGE

Standard Warranty: 12 Months / Unlimited Hours

F.O.B/TERMS:
STGEORGE05