



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: JEFF GOBLE, PUBLIC WORKS DIRECTOR
RE: RESOLUTION 22-15, CONCERNING THE PURCHASE OF ONE JOHN DEERE 310SL
BACK HOE LOADER.
DATE: APRIL 26, 2022

Summary and Background: Request for authorization to purchase one John Deere 310SL Backhoe / Loader from Honnen Equipment, Co. This purchase is to continue the Town's 7-year replacement cycle for Backhoe Loaders in order to minimize down time due to aging equipment and to continue to receive the highest amount possible in trade or at auction. It should be noted that we kept this machine two years longer than normal due to the uncertainties of the COVID epidemic back in 2020.

Analysis: Pursuant to Chapter 9 of the Town Code a Request for Proposals was produced and publicized back in January with a due date of February 25, 2022. Two bids were received by the deadline; they are listed below:

Honnen Equipment (Deere 310SL) \$156,700.00 - \$56,000 (trade in value) = \$100,700.00
Wagner Equipment (Cat 420XE) \$164,940.88 - \$51,600 (trade in value) = \$113,340.88

After staff analysis of the bids it is our recommendation to accept the proposal from Honnen Equipment for a cost not to exceed \$100,700.00.

Financial Impact: Passage of the recommended motion to purchase the listed equipment will result in a total cost of \$100,700.00. The amount budgeted in the 2022 budget for this purchase is \$175,000 from the Capital Improvement Fund, Capital Equipment Purchases (20-2000-4101). This purchase will leave a budget surplus of \$74,300.00 in this budget line item.

Staff's professional opinion is that the existing 2013 Cat Backhoe / Loader should be replaced as it is out of its warranty period of and beginning to show signs of wear. Any repairs that may come up at this point will be at full cost to the Town. Furthermore, if we keep this Backhoe / Loader any longer, we could see a substantial reduction of the current \$56,000 trade-in value offered.

It should also be noted that Honnen Equipment placed a guaranteed buy-back value of \$62,000.00 in their bid for when the Town replaces this new Backhoe / Loader in 2029. With this

buy-back value in the proposal, this new backhoe / loader will effectively cost the Town \$38,700.00.

Alignment with Strategic Plan: Adoption of this Resolution to purchase this Backhoe / Loader aligns with the Quality Core Services section of the Council's Strategic Plan by providing appropriate, reliable equipment to efficiently and effectively perform maintenance operations throughout Town.

Environmental Sustainability: Due to many upgrades in exhaust regeneration processes since 2013, this new piece of equipment will emit much less particulates and greenhouse gasses through its exhaust. This machine will also be substantially more fuel efficient due to improvements made in diesel engine technologies over the past 9 years.

Staff Recommendation: Based on the information contained in this report, it is recommended the Town Council make a motion to adopt the attached Resolution, 22-15 "A RESOLUTION FOR THE PURCHASE OF ONE(1) JOHN DEERE 310SL BACKHOE / LOADER FOR USE IN STREETS, WATER, PARKS AND GENERAL TOWN MAINTENANCE OPERATIONS"

Approved By:

Diane McBride, Interim Town Manager
Leslie Edwards, Finance Director

Attachments:

Attachment 1 – Resolution 22-15