Aitkin County

Board of County Commissioners Agenda Request

6A

Agenda Item #

Requested Meeting Date: September 13, 2016

Title of Item: Equipment Purchase - Two Motor Graders

☑ REGULAR AGENDA	**Action Requested:**	☐ Direction Requested
☐ CONSENT AGENDA	☑ Approve/Deny Motion	☐ Discussion Item
☐ INFORMATION ONLY	☐ Adopt Resolution (attach draft)	☐ Hold Public Hearing*
		**provide copy of hearing notice that was published*

Submitted by: John Welle	**Department:** Highway Department
Presenter (Name and Title): John Welle	**Estimated Time Needed:** 15 minutes

Summary of Issue:

Two the eight highway department fleet motor graders, Unit 204 and Unit 217, were programmed and budgeted for replacement in the 2016/2017 Capital Equipment Replacement Program. The budgeted cost of $430,000 reflects the anticipated purchase amount of the two new motor graders less the trade-in values.

State bid prices were compared for a Caterpillar 120M2 offered by Zeigler, Inc. of Minneapolis, MN through Contract #100494 and a John Deere 670G offered by RDO Equipment in Burnsville, MN through Contract #100490. Trade-in values were also solicited from the two vendors. Cost comparisons of the two options are shown on the attached summary.

Alternatives, Options, Effects on Others/Comments:

Recommended Action/Motion:

Recommendation is to purchase two John Deere Motor 670G Graders from RDO Equipment Co. for a total price of $416,418.

Financial Impact:

Is there a cost associated with this request? ☑ *Yes* ☐ *No*

What is the total cost, with tax and shipping? $ $416,818 plus applicable tax and fees

Is this budgeted? ☑ *Yes* ☐ *No* *Please Explain:*

$430,000 was budgeted in 2016/2017.

Legally binding agreements must have County Attorney approval prior to submission.

Summary of State Bids with trade-in value for Two Motor Graders

September 7, 2016

Vendor:	**RDO Equipment Co.** **Burnsville, MN 55404**	**Zeigler Inc.** **Mpls, MN 55420**
Make/Model:	John Deere 670G	Caterpillar 120M2
Price:	$256,409 x 2 = $512,818	$274,760 x 2 = $549,520
Trade Allowance:	$48,000 x 2 = $96,000	$32,450 x 2 = $64,900
Total Less Trade:	$416,818	$484,620