



Request for Council Action

TO: Mayor and City Council
THROUGH: Tim Murray, City Administrator
FROM: Travis Block, Public Works Director
MEETING DATE: January 22, 2019
SUBJECT: Approve 2019 CIP Purchase- Loader

Background:

The 2019 Budget and CIP have approved \$300,000.00 for the purchase of a front-end loader to replace a 1998 John Deere loader. This piece of equipment is used for the utility repairs, material handling, street maintenance, and snow removal operations. The loader has reached its useful life and is in need of replacement.

Staff researched and participated in equipment demonstrations of units from three manufacturers. After the completion the demonstrations staff recommends the purchase of a John Deere loader from RDO Equipment Co. Burnsville, MN, under Minnesota State Bid Contract L-331(5) for \$181,888.56. The 1998 John Deere will be traded in. There is no sales tax on the purchase. The Water Fund (601) and Sanitary Sewer Fund (602) will each provide fifty percent of the funding.

2019 John Deere 544L	\$212,888.56
1998 John Deere 544H (Trade in)	<u>-\$ 31,000.00</u>
	\$181,888.56 Total

Recommendation:

Approve 2019 CIP Purchase of John Deere Loader from RDO Equipment Co.

Attachments:

- CIP Sheet
- Quote

Capital Plan

2019 *thru* 2023

City of Faribault, Minnesota

Project # SEW-EQ-01
Project Name Replacement - 1998 John Deere 544H Loader



Type	Equipment	Department	Sewer
Useful Life	20 years	Contact	Public Works
Category	Equipment-Machinery/Vehicles	Priority	1 High
Capital Asset #	4560		
Unit #	298		

Description

1998 John Deere 544H Loader
 S #7944

 Acquisition Date: 06/29/98

 Hours: 10,510 as of 10/31/18

Justification

The loader is used for snow removal and materials handling. The loader has reached its useful life and is in need of replacement.

Expenditures	2019	2020	2021	2022	2023	Total
Equipment	300,000					300,000
Total	300,000					300,000

Funding Sources	2019	2020	2021	2022	2023	Total
Sanitary Sewer Fund	150,000					150,000
Water Fund	150,000					150,000
Total	300,000					300,000

Budget Impact/Other



Retail Purchase Order

RDO Equipment Co.
 12500 DuPont Avenue South
 Burnsville MN, 55337
 Phone: (952) 890-8880 - Fax: (952) 890-7046

Bill To:
 CITY OF FARIBAULT
 1200 BELVIEW AVE
 FARIBAULT, MN, 550218582
 RICE ()
 (507) 334-2222

Purchase Order Date: 1/16/2019
Purchase Order #: 1111359
Purchaser Account #: 2222051
Customer Sales Tax Exempt #: Exempt

Ship To:
 CITY OF FARIBAULT
 1200 BELVIEW AVE
 FARIBAULT, MN, 550218582
 (507) 334-2222

Customer Purchaser Type: Governmental - City/Town/Village
Customer Market Use: Earth Moving - Land Improvement
Location of First Working Use: FARIBAULT, MN, 550218582
Dealer Account Number: 178711
Sales Manager: Scott Weness
Phone: (952) 890-8880
Fax: (952) 890-7046
Email: SWeness@rdoequipment.com

Comments

Loader purchased off Minnesota State Bid Contract L-331(5)

Equipment Information

Quantity	Serial Number Stock Number	Hours (approx.)	Status / Year / Make / Model Additional Items	Price Per Unit	Cash Price
1	1DW544LZLJF693791 X817927	1	New 2019 JOHN DEERE 544L Freight Out Inside Parts Coupler Pins Outside Parts and Labor LED Low Profile Beacon Warranty -John Deere Power Train & Hyd.-72 Months, 4000 Hours,Deductible: 0, Exp Date: 9/4/2024	\$152,668.00	\$152,668.00
2	WG82225 X841835	0	Attachment - New 2019 ACS INDUSTRIES 544HD3	\$6,873.00	\$13,746.00
1	WG82225 X841836	0	Attachment - New 2019 ACS INDUSTRIES 544CPLR	\$8,242.00	\$8,242.00
1	WG82225 X841838	0	Attachment - New 2019 MISCELLANEOUS AUTOGREASER	\$9,125.00	\$9,125.00
1	WG82225 X841839	0	Attachment - New 2019 ACS INDUSTRIES 544GP3	\$7,761.76	\$7,761.76
1	WG82225 X841840	0	Attachment - New 2019 ACS INDUSTRIES 60FORKS	\$5,058.82	\$5,058.82
1	WG82225 X841834	0	Attachment - New 2019 GRABTEC GRAPPLE	\$7,400.45	\$7,400.45
1	121806 X841833	0	New 2019 GRABTEC GS69	\$4,407.53	\$4,407.53
Equipment Subtotal:				\$212,888.56	

Trade Information

Serial Number	Year / Make / Model	Payoff Information	Trade In Hours	Trade In Value
DW544HX567944	1998 JOHN DEERE 544H	\$0.00	10364	(\$31,000.00)
Total Trade in Value:				(\$31,000.00)
Trade Balance Owed:				\$0.00
Net Difference:				(\$31,000.00)

Purchase Order Totals

Balance:	\$181,888.56
Tax Rate 3: (MNEG 0%)	\$0.00
Sales Tax Total:	\$0.00
Sub Total:	\$181,888.56
Cash with Order:	\$0.00
Balance Due:	\$181,888.56

Legal Information

For the Construction Product(s)

ACKNOWLEDGMENTS - Purchaser offers to sell, transfer, and convey the Item(s) listed as "Trade In" to the Dealer at or prior to the time of delivery of the above Product(s), as a "trade-in" to be applied against the cash price. Purchaser represents that each "trade-in" item shall be free and clear of all security interests, liens, and encumbrances at the time of transfer to the Dealer except to the extent shown below. The price to be allowed for each "trade-in" item is listed on this document. The Purchaser promises to pay the balance due shown hereon in cash, or to execute a Time Sale Agreement (Retail Installment Contract), or a Loan Agreement for the purchase price of the Product(s), plus additional charges shown thereon, or to execute a Lease Agreement, on or before delivery of the Product(s) ordered herein. Despite delivery of the Product(s) to the Purchaser, title shall remain with the Seller until one of the foregoing is accomplished. Except as provided herein and as necessary to protect RDO Equipment from the claims of a bankruptcy trustee or a buyer in the ordinary course of business, the Purchaser and the Dealer agree that this Purchase Order is not a security agreement and that delivery of the Product(s) to the Purchaser pursuant to this Purchase Order will not constitute possession of the Product(s) by the Purchaser, as a debtor, for the purposes of the purchase money security provisions in any statutes relating to personal property security or its equivalent. Purchaser understands that its rights in connection with this purchase are limited as set forth in this Purchase Order. I (we) hereby grant a security interest to RDO Equipment in the Product.

DISCLOSURE OF REGULATION APPLICABILITY - When operated in California, any off-road diesel vehicle may be subject to the California Air Resources Board In-Use Off-Road Diesel Vehicle Regulation. It therefore could be subject to retrofit or accelerated turnover requirements to reduce emissions of air pollutants. More information is available on the California Air Resources Board website at <http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm>.

IMPORTANT WARRANTY NOTICE - The Standard Warranty for new John Deere construction and forestry products is set forth in a separate document provided by the dealer. Please read the Standard Warranty carefully before signing. No express warranty is made unless specified in the Warranty Statement. PURCHASER'S RIGHTS AND REMEDIES PERTAINING TO THIS PURCHASE ARE LIMITED AS INDICATED IN THE STANDARD WARRANTY AND PURCHASE ORDER. WHERE PERMITTED BY LAW, NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS IS MADE.

TERMS & CONDITIONS VERIFICATION STATEMENT Use of John Deere Data Services("Services"), if applicable, and all rights and obligations of John Deere and the Purchaser(or "Customer" as identified in the applicable agreement), are governed by the terms and conditions outlined in the Warranty Statement and the applicable John Deere Construction & Forestry Company Subscriptions & Data Services Dealer Agreement and/ or Customer Data Services agreements available at www.JohnDeere.com/Agreements. Purchaser agrees to be bound by these terms and conditions if Purchaser activates or otherwise uses any of the Data Services. If Purchaser does not agree to these terms and conditions, Purchaser must not activate or otherwise use the Data Services.

The undersigned purchaser(s) (the "Purchaser") hereby orders the product (the "Product") described above from the Dealer. The Dealer shall not be liable for failure to provide the Product or for any delay in delivery if such failure or delay is due to the Dealer's inability to obtain such Product from the manufacturer or supplier or other cause beyond the Dealer's control. The cash price shown above is subject to the Dealer receiving the Product from the manufacturer or supplier prior to any change in price by the manufacturer or supplier and is also subject to any new or increased taxes being imposed upon the sale of the Product after the date of this Purchase Order.

Upon signature of delivery acknowledgment, customer is accepting the equipment, including attachments, in "AS IS" condition, agreeing to notify RDO Equipment Co. within 24 hours of any damages or discrepancies found upon receipt of equipment.

Signature Area

Purchase Order Accepted By:

(Customer's Signature)

(Date Accepted)

(Authorized Signature of Dealer)

(Date Accepted)

Delivery of Equipment Acknowledgement:

(Customer's Signature)

/ Date Accepted /

Standard Warranty Acknowledgement:

(Delivered On)

(Warranty Begins)

Extended Warranty Oil Sampling Acknowledgement:

(Customer's Initials)

(Dealer's Initials)