AGENDA
CITY OF SHERIDAN
61 S. GOULD STREET CONFERENCE ROOM
JANUARY 28, 2019
SPECIAL COUNCIL MEETING START 5:30 P.M.

1. Call to Order

2. Pledge of Allegiance

3. Roll Call of Members

4. Approval of Agenda

NEW BUSINESS

5. Approval of Selection of Wyoming Machinery for the Public Works Lease-Option Acquisition of Motor Grader - Public Works Director Lane Thompson

6. Adjournment

CITY OF SHERIDAN, WYOMING

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Public Works

MEMORANDUM

Project Name:	Approval of Selection of Wyoming Machinery for the Public Works Lease-Option Acquisition of Motor Grader - Public Works Director Lane Thompson
From:	Lane Thompson, Public Works Director
To:	Mayor and Council
CC:	Mark Collins, City Administrator
Date:	01/24/2019

Recommendation:

Staff recommends that the Lease of a 2018 motor grader be awarded to Wyoming Machinery in the amount of Twenty seven thousand five dollars and nine cents ($27,005.09) annually.

Background:

The City currently has two motor graders in the fleet. One of the graders is nineteen (19) years old and was slated for replacement in the Fleet Plan. The other motor grader, which was leased in 2015, is the same model as the one being proposed. This is important so that the equipment operators only need to learn one type of control system. The new motor grader also has safety enhancements which include a backup camera, collision sensors, and an additional 10,000 square inches of visibility from the cab. These pieces of equipment are crucial to the City of Sheridan's snow removal program and street / alley maintenance program.

Discussion:

The City Fleet Manager solicited proposals from the suppliers of this type of equipment. The proposal requested a trade-in value for our 19 year old motor grader. We received three (3) proposals. The City Fleet manager also researched the retail value of our motor grader through equipment dealers and auctions. He determined we would receive approximately twenty five thousand ($25,000) to thirty thousand dollars ($30,000) if we sold our motor grader on the open market.

	Purchase Price	Trade-In	Total	Annual Lease Payment
Honnen Equipment (John Deere)	$330,000	N/A	$330,000	Not Available
Wyoming Machinery (Caterpillar)	$305,395*	$59,000	$246,396	$27,005.09**

Titan Machinery (Case)	$275,368***	N/A	$275,368	$40,000****

* This price includes a $20,000 governmental discount that expired at the end of 2018.
** This is a 9 year lease at 5.35%, with an option to purchase. Caterpillar is the only lease that has a guaranteed buyback. The buyback for this piece of equipment is $119,245.09. The City will have the option to buy the equipment outright at that time for the buyback amount. The Caterpillar lease includes maintenance supplies and an extended warranty for the duration of the lease.
*** Titan Machinery is unable to provide this equipment until August of 2019. This is also a new product line with no performance history.
**** An eight year lease through a 3rd party bank at approximately 4.25%. This lease does not include maintenance and an extended warranty.

The Case and John Deere did not meet the specifications of operator controls, trade-in or lease terms.