



PURCHASE OF MOTOR GRADER FOR THE STREET OPERATIONS DIVISION

RS-18-042

June 5, 2018

Background

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- Street Operations Division motor grader
 - ▣ Historically purchased through three-year buyback programs.
 - ▣ Proceeds from the vendor buying the motor grader back are used towards the purchase of a new unit.
- Equipment procurement
 - ▣ Three quotes were received through cooperative agreements.
 - ▣ RDO Equipment Company provided the best value:
 - Total purchase price - \$267,624.57
 - Buyback proceeds - \$209,700.00
 - Net cost - \$57,924.57
 - ▣ After applying the buyback funds from the sale of the existing motor grader, the net funds required for this purchase are \$17,624.57 (\$267,624.57 purchase price - \$250,000 buyback).
- Funding will be available following the approval of the mid-year budget amendment.

Alternatives

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- Option 1: Rent
 - ▣ Rental cost would be \$6,900.00/month.
- Option 2: Lease
 - ▣ Leasing cost would be \$2,815.63/month.
- Option 3: Purchase - Recommended
 - ▣ Purchasing offers the best value at a net cost of \$1,609.02/month.



John Deere 770GP Motor Grader

Recommendation

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Staff recommends that City Council approve the purchase of the motor grader from RDO Equipment Company utilizing the Texas Association of School Boards (TASB) BuyBoard Purchasing Cooperative for \$267,624.57.