RESOLUTION 2013-28

Agenda Item

TO: Mayor and City Council

FROM: Mark S. Gaugh, City Manager

DATE: September 11, 2013

RE: Replacement of Equipment-Tractor Loader

Issues

Below, is the report from Verlon Persinger, Alliance Water Resources:

Since last June, we have been without the service of our Ford 9030 Versatile tractor here at the wastewater facility. This has been due to damage done when something related to the hydraulic fluid case cracked and leaked out the balance of hydraulic fluid. Upon investigating the problem, we determined that we did not have the proper equipment to repair the tractor.

On July 3, Mark visited the plant to discuss the tractor situation. I asked about any extra tractors the City might have and discussed this with Gary O'Grady, at public works. Gary suggestion was to purchase the currently leased tractor from Earley Farm Equipment when it was returned after the mowing season.

During mid July, I asked Mike Earley, Earley Farm Equipment, to pick up the tractor and run an estimate on repair charges and/or a trade-in value against the leased unit the City currently has. On August 2, I talked with sales manager at Earley Equipment, he said the work estimate would be anywhere from approximately $14,000 to $18,000 to repair the hydraulic case and repair the brakes on the tractor. Currently the tractor needs 3 new tires at a projected cost of $1500. That would bring the total repair cost to a range of approximately $15,500 to $19,500. When asked about the trade-in pricing on the currently leased tractor, he stated that the current leased tractor would sell for $76,200 and allowing a trade in of $5,000 would make the price for the leased unit at $71,200.

Upon presenting the pricing to Mark Gaugh, I made the statement that I thought the price for repairs would not be cost-effective, considering it was a 1991 (22 year old) tractor and could possibly need more repairs to get it into safe operating condition. I also stated that I felt the asking price for the lease unit was too high for what I could justify the usage vs. expenditure. Mark agreed and asked me to look for other tractors for sale and possibly look at smaller used tractors if they would meet our needs. Earley Equipment did not have any other tractors that would fit our need, according to the sales manager.

With the assistance of the AWR staff, we began looking for a 60 to 100 hp tractor with cab, hydraulic loader, and either four wheel drive or front wheel assist.

We found 2 units, the first one was a 2007 Case IH JX95 with loader located at Shenandoah, Iowa. Larry Cornett and I traveled to Madsen International, Inc. to look at the Case IH JX95. This is a 95 hp tractor with loader and front wheel assist. After inspecting the tractor, Larry Cornett asked various questions concerning the oil leak, a/c problems, and actual hours. Tom Madsen told us the hours were correct at 826 hours; the a/c problem would be fixed; and the oil problem seems to be a pump or reservoir issue and that it too would be addressed before shipping it out. The price being $39,000 plus freight to our location in Cameron. On the trip back, Larry expressed concern that the wear and tear showing on the tractor looks to be much more than the hours actually represent.

The second unit, a 2005 Ford TD95D located at Columbia, Missouri. I traveled to Henderson Implement at Columbia and met with Mr. Cole Johnson. The tractor shows 416 hours and every aspect looks to be approximately that range of hours versus the wear and tear. The tractor has front wheel assist and Henderson Implement will add a heavy duty loader to the tractor. The price being $37,500 delivered to our location.

Mr. Cole Johnson traveled to Cameron, and looked at our Ford 9030 Versatile Tractor and offered $4,000 for the tractor as trade-in against the pricing of the New Holland TD95D making the final offer price of $33,500.

Following is the breakdown of the priced units:

Dealer	Tractor Description		Quote Price
Earley Tractor	**Case IH 135 Lease Return**		
$76,200			
Cameron, Missouri		**Less trade**	**-5,000**
		Quoted Amount	**$71,200**
delivered			
Madsen International, Inc.	**Case JX95**		**$39,000**
Shenandoah, Iowa		**Less Trade**	**0,000**
		Quoted Amount	**$39,000**
plus delivery			
Henderson Implement	**New Holland TD95D**		**$37,500**
Columbia, Missouri		**Less Trade**	**-4,000**
		Quoted Amount	**$33,500**
delivered			
Earley Tractor	**1980's Ford 9030**	**Repair and 3 tires**	
$19,500			

After making the effort to trade/buy locally, and then looking for a smaller type unit within reasonable travel distance, I would like to make the suggestion that the Council give hard consideration to the purchasing of the New Holland TD95D with the new bucket at the price of $33,500 delivered.

Thank you for your time and effort involved in this process. *End of Verlon's report.*

Recommendation

Staff recommends that Council approve the attached Resolution for the purchase of the tractor replacement for a price of $33,500. A budget amendment for reserve transfer will be required for this purchase, but the impact of the fund reserve is manageable.

Resolution 2013-28

A RESOLUTION OF THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI, TO ACCEPT A BID QUOTE FROM HENDERSON IMPLEMENT FOR A TRACTOR TO BE USED AT THE WASTEWATER TREATMENT PLANT

WHEREAS, the wastewater plant staff needs to replace a tractor; and

WHEREAS, the City of Cameron Staff reviewed price quotes obtained by Alliance Water Resources to purchase the replacement tractor; and

WHEREAS, the lowest/best price of $33,500 was submitted by Henderson Implement Company.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council for the City of Cameron, Clinton and DeKalb Counties, Missouri that the bid of $33,500 be accepted from Henderson Implement Company.

Passed and approved this 11th day of September 2013.

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Mayor Dennis M. Clark

Attest:

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City Clerk