



Staff Report

Agenda Item: **LEASE/PURCHASE AGREEMENT WITH RDO EQUIPMENT COMPANY FOR A NEW BACKHOE –**
Discussion and consideration of entering into a lease/purchase agreement for a new John Deere backhoe for the Utility Department with RDO Equipment Company.

Meeting Date: March 23, 2010

Prepared By: Wayne Debrosky, Utilities Director

Background: The Utilities Department currently rents the Streets Department's backhoe for water and sewer repairs. The Public Works backhoe is and has been in the shop for approximately two months having the engine rebuilt. During the past two months the Utilities Department has had to rent a backhoe or use the "cemetery backhoe" to make system repairs. The "cemetery backhoe" is at the end of its useful life and is very hard to start, keep running, and operate due to excessive play in hydraulics for the boom and bucket. In its 2010/2011 Water and Sewer Budgets the Utilities Department proposes to redirect funds from its Equipment Rental – Town line item to cover the yearly costs for this lease/purchase. The five-year lease/purchase agreement for a 2010 John Deere backhoe from RDO Equipment Co. is for the amount of \$69,405.44, which includes sales tax of 8.446%. The monthly payment would be \$1,390.42 which includes a 60 month extended full machine warranty with a 2,000 hour run time limit.

Recommendation: To approve the five-year Lease/Purchase Agreement for a 2010 John Deere backhoe from RDO Equipment Co.

Investment Proposal for:
 TOWN OF CLARKDALE
 P O BOX 308
 (895 9TH STREET)
 CLARKDALE, AZ 86324
 Phone: (928) 634-5923



Steve Rust
 5500 East Penstock Avenue
 Flagstaff, AZ 86004
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2010 OPEN CAB WITH 4WD, E HOE AND OTHER OPTIONS

Equipment: NEW 2010 JOHN DEERE 310J

Key Features

| | | | |
|----------|-----------------------------|----------|-----------------------------|
| 7310T | 310J BACKHOE LOADER | 0818 | 310J 1750T9 |
| 1085 | PE4045HT054 310J TIER 3 ENG | 2025 | CANOPY INSTALLATION |
| 2625 | SUSPENSION VINYL SEAT | 3085 | MFWD AXLE |
| 4770 | 19.5LX24R 12X16.5F | 5070 | EXT DIP 5 FNC SH STAB |
| 5225 | TWO LEVER CONTROLS | 5410 | COUPLER, STANDARD BKT QUICK |
| 5500 | LESS BACKHOE BUCKET | 7025 | LDR W/RTD AND 2 FUNC HYD |
| 7640 | 1.25 CU YD BUCKET | 8495 | 1450 LB FRT COUNTERWEIGHT |
| 8625 | ONE BATTERY-150 MIN CAP | 9040 | FAN PACKAGE HIGH AMBIENT |
| 9085 | ELECTRIC ETHER STARTING AID | 9110 | RIDE CONTROL |
| 9131 | SINGLE BATTERY DISCONNECT | 9225 | 3" SEAT BELT |
| 9505 | FULL MFWD GUARD | AT186288 | SMV EMBLEM |
| AT313592 | ROTATING BEACON | | |

Serial Number

TBD (0 Approximated Hours)

Equipment Price \$64,000.00

Attachments

| | | | |
|-----|-------------------------|---------|--------|
| NEW | WOODS/GANNON 16" BUCKET | 0612057 | \$0.00 |
| NEW | WOODS/GANNON 24" BUCKET | 059866 | \$0.00 |

Estimated Conversion Price: \$64,000.00

PROPOSAL SUMMARY

| | |
|--|--------------------|
| Equipment Total | \$64,000.00 |
| Sub Total | \$64,000.00 |
| Estimated sales tax to apply (AZFL AZ FLAGSTAFF 8.446%) | \$5,405.44 |
| Total Investment | \$69,405.44 |

Steve Rust

Sales Representative
 RDO EQUIPMENT CO.
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*\$1,318.54 mo
 4.95%*