 **CITY OF MOLALLA**

 117 N. Molalla Avenue

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 **Staff Report**

**Agenda Category: Consent Agenda**

**Agenda Date:** August 24th, 2022 **From:** Andy Peters, PW Div Manager

 **Approved by:** Dan Huff, City Manager

**SUBJECT:**  2022 Budgeted Backhoe Purchase

**FISCAL IMPACT:**  $117,083.87

**RECOMMENDATION/RECOMMEND MOTION:** Approve the Purchase of a 2022 John Deere 410L Tractor Loader Backhoe through the Sourcewell Cooperative Purchasing Agency.

**BACKGROUND:** The existing backhoe is a Cat 436 purchased in 1998. This machine can be considered the “swiss army knife” of the public works fleet, used not only for excavation, but also mowing, toeing, grading, demolition, park landscaping, forklifting and paving. This replacement has been timed so that the existing machine, though aged, still affords the best possible salvage value to help offset the cost of the new one. The MSRP of the new machine is $230,571. The machine is available to us through the cooperative purchasing agency Sourcewell at a 44% discount for $129,119.76. Freight, warranty, and maintenance plans, and a set of forks bring the sale price to $145,438.27. Papé has agreed to accept the old backhoe with a trade-in value of $29,000, bringing the final budget impact to $117,083.87.