

Public Hearing: December 6, 2004

F A C T S H E E T

TITLE: Full Maintenance Lease of three (3) Articulated Frame Four-Wheel Drive Wheel Loaders for use by the Public Works & Utilities Street Maintenance Operations in construction, maintenance, and snow removal projects.

SPONSOR: Public Works & Utilities

OPPONENTS: Unknown

STAFF RECOMMENDATION: For

OTHER DEPARTMENTS AFFECTED:

None

APPLICANT: Public Works & Utilities

REASON FOR LEGISLATION: To accept and approve five year/5,000 hour full maintenance lease agreements with buy out option between the City of Lincoln and Washington County bank to provide three (3) articulated frame four-wheel drive wheel loaders for use by Public Works & Utilities Street Maintenance Operations in construction, maintenance, and snow removal projects.

D I S C U S S I O N

In leasing this equipment we are controlling our depreciation and maintenance liability through a fixed residual or buy out cost and full machine maintenance agreement. It also allows us to ability to completely evaluate all factors associated with securing equipment at the lowest overall cost prior to making a purchase commitment. By making a purchase evaluation at the end of the lease term all pertinent information required to make an informed decision is available. This will result in our ability to acquire wheel loaders with very limited depreciation, maintenance, and loss production exposure.

POLICY OR PROGRAM CHANGE: No

COST OF TOTAL PROJECT: \$219,016.05 (\$73,005.35 per unit)

SOURCE OF FUNDS:

CITY: \$219,016.05

NON CITY: None

BENEFIT COST:

FACT SHEET PREPARED BY:

Jim Chiles, Street Maintenance Operations

REVIEWED BY:

Director of Public Works & Utilities