

Shapin Spencer
Public Works Director

Laurie Adams
Assistant Director



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MEMO

To: Burlington Board of Finance
From: Laurie Adams, Assistant Director DPW Water Quality *L.A.*
Date: October 25, 2013

Re: Request to Purchase & Finance an Excavator

The Water Division typically runs two crews for completion of water service and main repairs, replacements, valve upgrades and hydrant installations. In the past backhoes or wheeled machines were purchased. For some time the crew has wanted to use an excavator but previous management would not support this for unfounded reasons. I say this because the appropriate size excavator has many benefits.

1. Cost is comparable to a backhoe. The cost of a comparable new backhoe from John Deere is \$128,900 versus the cost of the excavator from John Deere at \$107,860 before trade.
2. Reach, 360 degrees, an excavator can reach both to the side, front and back whereas a backhoe has to physically move the entire rig.
3. An excavator has no outriggers therefore it is free to move without first lifting the outriggers or stabilizers.
4. Footprint of excavator a little shorter than a backhoe and better visibility.

Our new Water Distribution Foreman worked with Equipment Maintenance to detail the appropriate specifications for the type of machine we needed. Our proposal includes trading one of our existing backhoes and financing the remaining balance. The excavator needs a trailer to move the equipment from job to job. Bids were received from four vendors. We asked to demo the two closest in price with the operators on the crew who would be using the equipment. **Staff recommendation is the John Deere from Nortrax Equipment for a net cost of \$87,714.** This machine had a side boom which made for better visibility when operating than the Caterpillar. The Cat machine has a swing boom in front that made a blind spot for the operator. This purchase is included in the approved FY14 budget. Although we requested financing from the vendors the City is offering a rate of 2% over five years. A promissory note between the City and the Water Division would be signed for this arrangement. The estimated payment based on annual, beginning of period payments for five years would equal \$18,244.37/year.

City of Burlington

Promissory Note

The Water Division, Department of Public Works, Burlington, Vermont, for value received, promises to pay in lawful money of the United States to the City of Burlington General Fund, Vermont:

****Eight-Seven Thousand, Seven Hundred and Fourteen Dollars
(\$87,714.00)**

To be paid back within 5 years with the first payment being on November 1, 2014 and the 5 yearly principal payments being of equal amounts. For the 5 years of this note the interest payment shall be 2%.

As authorized by the Burlington City Council, or a majority thereof, at a publicly Warned meeting held on November 4, 2013 and approved by the Mayor of Burlington.

Dated: _____

BY: _____
Miro Weinberger,
Mayor

BY: _____
Robert Rusten,
Chief Administrative Officer