City of Duluth

411 West First Street
Duluth, Minnesota 55802

Legislation Details (With Text)

File #:	20-0247R	**Name:**	
Type:	Resolution	**Status:**	Passed
File created:	3/6/2020	**In control:**	Public Works and Utilities
On agenda:	4/13/2020	**Final action:**	4/13/2020
Title:	RESOLUTION AUTHORIZING A FIFTY-FOUR MONTH LEASE AGREEMENT WITH CATERPILLAR FINANCIAL SERVICES CORPORATION FOR 20 MOTOR GRADERS FOR A TOTAL LEASE AMOUNT NOT TO EXCEED $1,645,790.40.		
Sponsors:			
Indexes:			
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Date	Ver.	Action By	Action	Result
4/13/2020	1	City Council	adopted	

RESOLUTION AUTHORIZING A FIFTY-FOUR MONTH LEASE AGREEMENT WITH CATERPILLAR FINANCIAL SERVICES CORPORATION FOR 20 MOTOR GRADERS FOR A TOTAL LEASE AMOUNT NOT TO EXCEED $1,645,790.40.

CITY PROPOSAL:
RESOLVED, that the proper city officials are hereby authorized to enter into a lease agreement with Caterpillar Financial Services Corporation for the fifty-four month lease of motor graders for Street Maintenance, for a total contract amount not to exceed $1,645,790.40, payable from 110-500-1920-5418 (General Fund, Public Works & Utilities, Street Maintenance, Vehicle/Equipment Lease (Long Term).

STATEMENT OF PURPOSE: This resolution authorizes a lease agreement with Caterpillar Financial Services Corporation for the fifty-four month lease of twenty (20) new six-wheel Caterpillar model 140 AWD motor graders for Street Maintenance. The base monthly lease cost per unit is $1,499.48. All of the units will have autoarticulate for an additional cost of $16 per unit per month, and four of the units will have 14' moldboards installed (versus 12') for an additional cost of $42 per unit per month. The total monthly lease cost for all twenty units will be $30,477.60.
The last five year lease was also for twenty graders at a total lease cost of $1,582,416.
The purchasing division posted a request for bids on October 24, 2019 and received two responses by the closing date. Zeigler submitted the lowest of the two bids. Zeigler offers municipal financing through Caterpiller Financial Services Corporation.

Vendor	Annual Total w/ Monthly Payment Option
ZeiglerCAT	$365,731.20
McCoy Construction	$598,320.00

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