



Report

TITLE: PURCHASE OF 2025 GRADERS

Meeting: Council Meeting

Meeting Date: May 8, 2024

Background

Quotes were received for the purchase of three (3) 2025 AWD Graders, utilizing the Canoe Procurement Group of Canada.

The quotes received are summarized below:

Grader MA # 1

COMPANY	MAKE & MODEL	CASH BASIS	LESS 2020 TRADE JD 872GP Grader	TOTAL 2025 COST	GUARANTEED TRADE IN VALUE IN 2030	5 YEAR CAPITAL INVESTMENT**
Finning	CAT 150 AWD	\$605,000	\$206,700	\$398,300	\$252,000	\$353,000
Brandt Tractor	John Deere 772GP	\$607,600	\$255,000	\$352,600	\$220,000	\$387,600

Proposed 2025 Budget - \$698,775 (incl. 5% contingency) less \$170,000 guaranteed trade-in = \$528,775

Grader MA # 4

COMPANY	MAKE & MODEL	CASH BASIS	LESS 2020 TRADE JD 872GP Grader	TOTAL 2025 COST	GUARANTEED TRADE IN VALUE IN 2030	5 YEAR CAPITAL INVESTMENT**
Finning	CAT 150 AWD	\$605,000	\$206,700	\$398,300	\$252,000	\$353,000
Brandt Tractor	John Deere 772GP	\$607,600	\$245,000	\$362,600	\$220,000	\$387,600

Proposed 2025 Budget - \$698,775 (incl. 5% contingency) less \$170,000 guaranteed trade-in = \$528,775

Grader Road Recovery

COMPANY	MAKE & MODEL	CASH BASIS	LESS 2020 TRADE JD 872GP Grader	TOTAL 2025 COST	GUARANTEED TRADE IN VALUE IN 2032	7 YEAR CAPITAL INVESTMENT**
Finning	CAT 160 AWD	\$699,000	\$216,700	\$482,300	\$225,000	\$474,000
Brandt Tractor	John Deere 872GP	\$690,600	\$310,000	\$380,600	\$250,000	\$440,600

Proposed 2025 Budget - \$840,000 (incl. 5% contingency) less \$175,000 guaranteed trade-in = \$665,000

***Capital Investment equals the Cash Basis less the Guaranteed Trade-In Value.*

The Transportation department requested additional options for consideration in the RFQ's. John Deere provides a Premium Circle option for \$17,000 that can be added to their graders. Since the quote from Brandt Tractor is significantly below the approved budget, Transportation is proposing to include the Premium Circle on the 2025 John Deere 872GP AWD grader (Road Recovery grader).

Premium Circle is exclusive to John Deere and it is designed to deliver higher productivity, increased uptime, and lower daily operating costs. With the premium circle option, the traditional gearbox drive and circle is replaced with a fully sealed bearing. Compared to the traditional circle it offers a 40% increase in circle torque and 15% increase in circle speed which will reduce cycle times and improve productivity. By eliminating the circle wear inserts and need for adjustment or replacement, it is expected we will benefit from reduced parts and labor costs, while still maintaining an accurate grade.

As practiced in the past, Transportation will be seeking alternative methods of sale on the 2020 MA# 1 and MA# 4 John Deere 872GP graders.

Past history for your reference:

2024 Grader Purchases:

- Caterpillar 150 AWD Grader - \$569,600 less Guaranteed Trade-in after 5 years \$244,670 = \$324,930
- John Deere 772GP AWD Grader - \$570,600 less Guaranteed Trade-in after 5 years \$220,000 = \$350,600

2023 Grader Purchases:

- Caterpillar 150 AWD Grader - \$510,500 less Guaranteed Buyback after 5 years \$220,000 = \$290,500
- John Deere 772GP AWD Grader - \$491,600 less Guaranteed Trade-in after 5 years \$190,000 = \$301,600
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Alignment with the Strategic Plan

STRONG COMMUNITIES: To provide community services that make Flagstaff County an attractive place to live for all generations.

GOAL: Safe and reliable transportation networks.

Recommendation

THAT Flagstaff County accept the following:

- 1) To accept the quote received from Finning for the purchase of one (1) 2025 CAT 150 AWD grader for the cash price of \$605,000 plus GST with a Guaranteed Trade-In value of \$252,000 after 5 years.
- 2) To accept the quote received from Finning for the purchase of one (1) 2025 CAT 150 AWD grader for the cash price of \$605,000 plus GST with a Guaranteed Trade-In value of \$252,000 after 5 years.
- 3) To accept the quote received from Brandt Tractor for the purchase of one (1) 2025 John Deere 872GP AWD grader for a cash price of \$690,600 including the Premium Circle Option of \$17,000 less the 2020 trade of \$310,000 for a cash price of \$397,600 plus GST with a Guaranteed Trade-In Value of \$250,000 after 7 years.