

Public Hearing: May 12, 2003

F A C T S H E E T

TITLE: Lease of four-wheel drive articulated frame wheel loader for use by the Parks & Recreation Department in construction and maintenance projects.

SPONSOR: Public Works & Utilities

OPPONENTS: Unknown

STAFF RECOMMENDATION: For

OTHER DEPARTMENTS AFFECTED:

Parks & Recreation (equipment provided through the Public Works & Utilities Fleet Services Section)

APPLICANT: Public Works & Utilities

REASON FOR LEGISLATION: To accept and approve a three year/5,000 hour lease agreement with a buy out option between the City of Lincoln and Caterpillar Financial Services to provide a four-wheel articulated frame loader for use by the Parks & Recreation Department in construction and maintenance projects.

D I S C U S S I O N

In leasing this wheel loader we are controlling our depreciation liability through a fixed residual or buy out cost. It also allows us the ability to completely evaluate all factors associated with providing 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 provide a dependable wheel loader to the Parks & Recreation Department in the most cost effective manner.

POLICY OR PROGRAM CHANGE: Normally purchased outright.

COST OF TOTAL PROJECT: \$50,268.40

SOURCE OF FUNDS:

CITY: \$50,268.40

NON CITY: None

BENEFIT COST:

FACT SHEET PREPARED BY:

Jim Chiles, Street Maintenance Operations

REVIEWED BY:

Director of Public Works/Utilities