

Public Hearing: July 7, 2003

## **F A C T   S H E E T**

**TITLE:** Lease of a 90-hour power class backhoe loader for use by the Public Works & Utilities Wastewater / Solid Waste Division in construction and maintenance 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 a five year/5,000 hour lease agreement with a buy out option between the City of Lincoln and Caterpillar Financial Services to provide a 90-horse power class backhoe loader for use by the Public Works & Utilities Wastewater / Solid Waste Division in construction and maintenance projects.

## **D I S C U S S I O N**

In leasing this backhoe 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 backhoe loader in the most cost effective manner.

**POLICY OR PROGRAM CHANGE:** Normally purchased outright.

**COST OF TOTAL PROJECT:** \$47,165.85

**SOURCE OF FUNDS:** Wastewater Operating Budget

**CITY:** \$47,165.85

**NON CITY:** None

**BENEFIT COST:**

**FACT SHEET PREPARED BY:**

Jim Chiles, Street Maintenance Operations

**REVIEWED BY:**

Director of Public Works/Utilities