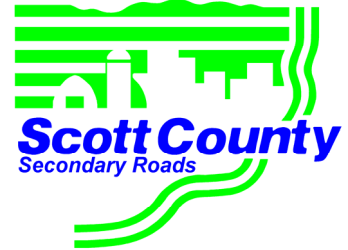


SCOTT COUNTY ENGINEER'S OFFICE

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ANGELA K. KERSTEN, P.E.
County Engineer

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Assistant County Engineer

TARA YOUNGERS
Senior Administrative Assistant

MEMO

TO: Mahesh Sharma
County Administrator

FROM: Angie Kersten, P.E.
County Engineer

SUBJ: Approval to Purchase One (1) 2023 John Deere 772G Motorgrader

DATE: May 27, 2022

Based on our annual assessment of our fleet, our department budgeted for the replacement of one motorgrader in FY2023. This is a replacement purchase for our 2004 John Deere 770CH motorgrader with 8,415 hours. We did not ask for a trade-in price. We are planning to sell our motorgrader outright.

Bids were solicited on Public Purchase and we received the following bid:

Dealership	Location	Vehicle Bid	Option Cost	Price per vehicle	Trade In\Discounts	Total Purchase with option
Martin Equipment	Rock Island, IL	John Deere 772G 2023	\$ 2,625.00	\$ 386,500.00	N/A	\$ 389,125.00

This is a 27.6% increase in cost of the 2021 John Deere 772G motorgrader we purchased in April 2021. Although this increase in cost is significant, we still recommend awarding the bid to Martin Equipment based on the following reasons:

- The delivery time quoted for this motorgrader was February 2023. If we wait to solicit bids at a future time, the delivery time will be extended out further.
- According to information shared in May 2022, by the American Association of State Highway and Transportation Officials (AASHTO), since spring of 2021, the country is experiencing average increases in costs for steel (35%), fuel (70%), aluminum (45%) and other electrical materials (40%). Many of these materials are utilized in manufacturing motorgraders. In addition, we know that businesses are experiencing labor shortages, difficulties in procuring materials, and difficulties with transportation of materials.
- One neighbor county solicited bids for similar model motorgraders in January 2022, and the base price has since increased 18%.
- Two different neighbor counties solicited bids for similar model motorgraders around the same time we solicited bids and received similar priced quotes.

- We considered not awarding this bid and re-soliciting bids in the fall of 2022 or spring of 2023. However, present market conditions do not indicate an end to price increases or surplus in motorgraders within the next year or two. We are concerned that waiting further to replace this motorgrader will be at an even higher cost.
- This motorgrader is a critical piece of equipment within our fleet. We utilize our motorgraders on a daily basis and often utilize our spare motorgraders to maintain continuity of operations.
- We have identified a piece of equipment that was scheduled for replacement in FY2022 that can be repaired and delayed for replacement. We can utilize those budgeted dollars towards the additional expense of the new motorgrader.

We budgeted \$315,000 in FY2023 for the new motorgrader. We estimate \$175,000 remaining in our FY2022 budget (from delaying replacement of a piece of equipment) for equipment replacements, that I will seek approval to amend the budget for in 2023. I recommend purchasing the new 2023 John Deere 772G Motorgrader from Martin Equipment for \$389,125.

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

R E S O L U T I O N

SCOTT COUNTY BOARD OF SUPERVISORS

June 9, 2022

A RESOLUTION APPROVING THE AWARD OF BID FOR THE PURCHASE OF ONE (1) 2023 JOHN DEERE 772G MOTORGRADER

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. That the bid for one (1) 2023 John Deere 772G Motorgrader is approved and hereby awarded to Martin Equipment, Rock Island, IL, in the amount of \$389,125.00.

Section 2. This resolution shall take effect immediately.