SCOTT COUNTY ENGINEER'S OFFICE

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Senior Administrative Assistant

MEMO

TO: Mahesh Sharma

County Administrator

FROM: Angie Kersten, P.E.

County Engineer

SUBJ: Approval to Sell a Secondary Roads Motorgrader to the Waste Commission of Scott

County

DATE: March 6, 2023

Based on our annual assessment of our fleet, our department budgeted for the replacement of one motorgrader in FY2023. On June 9, 2022, the Board of Supervisors approved purchasing a 2023 John Deere 772G Motorgrader from Martin Equipment, Rock Island, IL, for \$389,125. We have been notified that this motorgrader is scheduled for build the week of March 6, 2023.

This is a replacement purchase for our 2004 John Deere 770CH Motorgrader with 8,469 hours. We were contacted by the Waste Commission of Scott County in January 2022, regarding an interest to purchase a used motorgrader from our department. We stated that we would have a potential used motorgrader available for sale upon receipt of the replacement. Representatives from the Waste Commission examined our motorgrader and stated they would be interested in purchasing it.

Since used equipment values have significantly increased over the past few years, we agreed to evaluate the value of our 2004 motorgrader closer to the timing of the sale. We evaluated current sales of similar motorgraders from two heavy equipment auction sites and obtained prices for similar motorgraders for sale in the Quad City area. The average sale price was \$58,406. We established a salvage value for the motorgrader attachments at ~\$1,600. Totaling a value of \$60,000 for the motorgrader. Additionally, we requested a current trade-in value for our motorgrader from Martin Equipment. Martin Equipment responded with a trade-in value of ~\$45,000.

It can be challenging for smaller municipalities to procure and maintain a healthy fleet of heavy equipment. Selling our motorgrader to the Waste Commission benefits both agencies. It ensures that we receive just compensation and that the Waste Commission pays a fair price. The Waste Commission additionally benefits from knowing that the motorgrader was rightly maintained and properly operated for its intended use.

I recommend selling our 2004 John Deere 770CH Motorgrader (Asset #992), with attachments, to the Waste Commission of Scott County for \$60,000.

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

DATE

SCOTT COUNTY AUDITOR

RESOLUTION

SCOTT COUNTY BOARD OF SUPERVISORS

March 16, 2023

A RESOLUTION APPROVING THE SALE OF A 2004 JOHN DEERE 770CH MOTORGRADER TO THE WASTE COMMISSION OF SCOTT COUNTY

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

- Section 1. That the Secondary Roads Department is authorized to sell a 2004 John Deere 770CH Motorgrader (Asset #992), with attachments, to the Waste Commission of Scott County for \$60,000.
- Section 2. This resolution shall take effect immediately.