

**City of Palmer
Action Memorandum No. 16-067**

Subject: Authorizing the City Manager to Negotiate and Execute a Purchase Proposal with Craig Taylor Equipment for a Newer Replacement Tractor at the Airport for \$21,000.00 Minus Proposed Trade in Value of \$6,001.00

Agenda of: October 11, 2016

Council Action: APPROVED

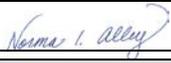
Originator Information:

Originator: Frank Kelly, Airport Superintendent
Date: September 19, 2016 **Requested agenda date:** October 11, 2016

Department Information \checkmark :

Route to:	Department Director:	Signature:	Date:
	Community Development		
X	Finance		9/20/16
	Fire Department		
	Police Department		
	Public Works		

Approved for presentation by:

	Signature:	Remarks:
City Manager		
City Attorney		
City Clerk		

Certification of Funds:

Total amount of funds listed in this legislation: \$ 21,000.00 less trade-in of \$6,001 = \$14,999

This legislation (\checkmark):

- Has no fiscal impact Creates a positive impact in the amount of: \$ _____
 Creates a negative impact in the amount of: \$ 14,999

Funds are (\checkmark):

- Budgeted Line item(s): 03-01-10-6046 Small Tools & Equipment
 Not budgeted Affected line item(s): _____

General fund unassigned balance (after requested budget modification): \$ _____

Enterprise unrestricted net position (after requested budget modification): \$ _____

Director of Finance Signature: 

Attachment(s):

- Craig Taylor Equipment Proposal
- Craig Taylor Equipment Quote for New 3038E Tractor
- Memo to Nate Wallace regarding obsolete status
- Pictures of old JD 4210 to be traded in
- Pictures of newer JD 3038E tractor to be purchased

Summary Statement: The existing FAA funded JD 4210 Airport maintenance tractor is now 13 years old with 2123 hours of use on it and is reaching the end of its economic useful life cycle for commercial purposes. This under powered tractor cannot support any needed brush cutting attachments to help fully maintain the Airport grounds properly and should be traded in or sold before it has no residual value.

A newer, but only slightly used 2015 JD 3038E Tractor (only 92 hobs hours) with a \$5K discount from new pricing has been located at Craig Taylor Equipment. CTE is offering \$6,001.00 as a trade in value for the JD 4210 (verified upon inspection) bringing down the total cost to \$14,999.00.

The FAA grant assurance time period of ten (10) years has now expired on the FAA funded JD 4210 with the only stipulation that any proceeds from the sale or trade in be used for airport purposes. The FAA no longer funds grass cutting equipment purchases for airports so any future FAA application to replace this tractor would be denied. This tractor's low hours and increased horse power will support additional grounds maintenance attachments in the future.

This tractor is still under the manufactures original warranty for a short period of time.

Administration Recommendation: Authorize Action Memorandum No. 16-067.

7860 W. Buttercup Dr.
Wasilla, AK 99623



907-891-7837 / 800-973-2607
Fax: 907-373-6727

PROPOSAL

To: Palmer Municipal Airport
Frank Kelly
907-761-1334

Date September 13, 2016
F.O.B. Wasilla
Delivery In-Stock
Terms Trade/ Cash

fkelly@palmerak.org

WE ARE PLEASED TO OFFER THIS PROPOSAL AS FOLLOWS, SUBJECT TO APPROVED TERMS AND CONDITIONS			
Quantity	Description	Each	Total
1	John Deere 3038e Tractor D160 Loader Installed stock # 34744 0409 English Om 3020 Vertical Exhaust 5210 15-19.5 6pr Rear R4 Industrial 6210 25x8.50-14 6pr Front R4 Industrial 37.3 Hp Yanmar T4 L/c Diesel Engine 30 Pto Hp 4wd Hst Transmission 540 Rpm Rear Pto Electronic Wet Clutch Fixed Rops 6.4 Gal Fuel Tank 2800 Lbs W/ Factory Installed Loader	\$ 21,000.00	\$21,000.00
1	4210 Trade in 2123 hrs 60" mowing deck *This quote is contingent on doing an inspection of the machine *Subject to Availability	\$ (6,001.00)	(\$6,001.00)
		Total:	\$ 14,999.00

ENTER OUR ORDER FOR THE ABOVE:

PURCHASER _____
BY: _____
TITLE _____
DATE _____

CONDITIONS:

Prices are subject to change and will be those in effect at time of delivery.
Delivery date is based upon our existing stock or a promise given by our supplier and is subject to delay for conditions beyond our control.

CRAIG TAYLOR EQUIPMENT COMPANY

By 
Brad Sadler, Sales Representative/Branch Manager

THANK YOU FOR YOUR BUSINESS!

email: Brad@craigtaylorequipment.com

www.craigtaylorequipment.com

Quote Id: 13899016

Prepared For:
Frank Kelley

Prepared By: **Brad Sadler**

Craig Taylor Equipment Co.
7860 W. Buttercup Drive
Wasilla, AK 99623

Tel: 907-376-3838

Fax: 907-373-6727

Email: brad@craigtaylorequipment.com

Quote Summary

Prepared For:
 Frank Kelley
 AK
 Home: 907-315-0359

Prepared By:
 Brad Sadler
 Craig Taylor Equipment Co.
 7860 W. Buttercup Drive
 Wasilla, AK 99623
 Phone: 907-376-3838
 brad@craigtaylorerequipment.com

Quote Id: 13899016
Created On: 19 August 2016
Last Modified On: 22 August 2016
Expiration Date: 19 August 2016

Equipment Summary	Suggested List	Selling Price	Qty	Extended
JOHN DEERE 3038E Compact Utility Tractor (30 PTO hp)	\$ 22,974.00	\$ 21,474.00 X	1 =	\$ 21,474.00
JOHN DEERE D160 Loader	\$ 4,458.00	\$ 4,458.00 X	1 =	\$ 4,458.00
Equipment Total				\$ 25,932.00

Quote Summary	
Equipment Total	\$ 25,932.00
Tax	\$ 0.00
SubTotal	\$ 25,932.00
Total	\$ 25,932.00
Down Payment	(0.00)
Rental Applied	(0.00)
Balance Due	\$ 25,932.00

Salesperson : X _____

Accepted By : X _____

Selling Equipment

Quote Id: 13899016

JOHN DEERE 3038E Compact Utility Tractor (30 PTO hp)				
Hours:				Suggested List
Stock Number:				\$ 22,974.00
				Selling Price
				\$ 21,474.00
Code	Description	Qty	Unit	Extended
1484LV	3038E Compact Utility Tractor (30 PTO hp)	1	\$ 20,669.00	\$ 20,669.00
Standard Options - Per Unit				
0409	English North American Operator's Manual and Decal Kit	1	\$ 0.00	\$ 0.00
3010	Downward Exhaust	1	\$ 0.00	\$ 0.00
5211	11.20-24 (6PR, R1 Bar, 1 Position)	1	\$ 0.00	\$ 0.00
6211	7-14 (6PR, R1 Bar, 2 Position)	1	\$ 0.00	\$ 0.00
Standard Options Total				\$ 0.00
Other Charges				
	Freight	1	\$ 2,135.00	\$ 2,135.00
	Setup	1	\$ 170.00	\$ 170.00
Other Charges Total				\$ 2,305.00
Suggested Price				\$ 22,974.00
Customer Discounts				
Customer Discounts Total			\$ -1,500.00	\$ -1,500.00
Total Selling Price				\$ 21,474.00

JOHN DEERE D160 Loader				
Hours:				Suggested List
Stock Number:				\$ 4,458.00
				Selling Price
				\$ 4,458.00
Code	Description	Qty	Unit	Extended
1460P	D160 Loader	1	\$ 4,288.00	\$ 4,288.00
Standard Options - Per Unit				
1000	Mounting frame (for 3032E and 3038E Tractors)	1	\$ 0.00	\$ 0.00
2000	Single lever control valve (two-function) and tractor to valve oil line kit	1	\$ 0.00	\$ 0.00
4095	Less Ballast Box	1	\$ 0.00	\$ 0.00
5000	Hood Guard	1	\$ 0.00	\$ 0.00
8122	1550 mm (61 in.) materials bucket	1	\$ 0.00	\$ 0.00



JOHN DEERE

Selling Equipment

Quote Id: 13899016

Standard Options Total			\$ 0.00
Other Charges			
Setup	1	\$ 170.00	\$ 170.00
Other Charges Total			\$ 170.00
Suggested Price			\$ 4,458.00
Customer Discounts			
Customer Discounts Total			\$ 0.00
Total Selling Price			\$ 4,458.00



Memo

Date: September 16, 2016

To: Nate Wallace, City Manager

From: Frank Kelly, Airport Superintendent

RE: Disposal of JD 4210 Tractor Mower Equip. ID # 5815
Serial No. LV4210H121823

Please be advised that the above referenced John Deere tractor has for all intents and purposes now reached the end of its useful economic life cycle for Palmer Municipal Airport needs.

Purchased in 2003 with FAA AIP grant funding, the tractor is now thirteen (13) years old and three (3) years past any federal obligation of grant assurance timing. This tractor now has over 2,123 hobs hours and is now considered obsolete as it is not capable by horse power ratings of supporting any meaningful attachments currently needed to maintain airport grounds.

This tractor should be retired for non-commercial purposes as it has limited value in that setting. Any proceeds obtained for this tractor, must be applied towards airport operations, per FAA assurance guidelines.

Please let me know if you have any questions regarding this obsolete piece of equipment.



Old Tractor



JOHN DEERE

3038 E

D160

New Tractor