



Yamhill County

Public Works Department

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Russ Heath Shop Supervisor

MEMORANDUM

DATE: September 1, 2017

TO: Board of Commissioners

FROM: Russ Heath

SUBJECT: Motor Grader Replacement

Peterson Caterpillar of Portland offers the 2018 Caterpillar 140M All Wheel Drive Motor Grader with a 24 month warranty for \$317,904.00 each. Peterson is also offering them with a 2,000 hour 24 month guarantee buy back option of \$295,000.00. Monthly average of \$954.33 for 24 months. Normally this type of grader has a monthly rental rate of \$12,000.00

We believe the 24 month buy-back option offered by Peterson Caterpillar is the best fit for our needs. The 24 month option offers the lowest operating cost.

Therefore, based on the above information, I would like to recommend the purchase of two new Caterpillar 140M all-wheel drive graders from Peterson Caterpillar for \$317,904.00 each and sell units 15-151 and 15-152 to Peterson Caterpillar for a minimum of \$196,000.00 each.

Funds for this purchase are budgeted in the Motor Vehicle Replacement fund for the 17/18 fiscal year.

Public Works Grader 045-029-800.81.

Thank You

Russ Heath

Accepted by Yamhill County
Board of Commissioners on
9-7-17 by Board Order
17-359