

CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2025-32

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE ACTING CITY MANAGER TO PURCHASE A NEW CATERPILLAR 160 MOTOR GRADER FROM NC MACHINERY USING SOURCEWELL CONTRACT PRICING AND TO ENTER INTO A FIVE-YEAR MUNICIPAL LEASE FINANCING AGREEMENT WITH NC MACHINERY.

WHEREAS, The City of Dillingham must replace its 1998 Caterpillar 160H grader, which is at the end of life, marginally operable, and no longer cost-effective to repair; and

WHEREAS, NC Machinery provided a quote of **\$499,080.00** for a new Caterpillar 160 grader under **Sourcewell Contract #032119-CAT**, which meets cooperative purchasing standards recognized by the City's procurement code; and

WHEREAS, Staff obtained financing quotes from NC Machinery / Caterpillar Financial, Leasing 2, and Wells Fargo. The most cost-effective option was from **Caterpillar Financial Services (via NC Machinery)** at 5.49% interest which is a CAT Financial government lease option with a final \$1 balloon payment to own the grader. If budget appropriations are not approved at any given year the city can discontinue the lease and return the machine; and

WHEREAS, The City recommends selecting the **five-year repayment option** with annual payments of **\$110,848.61**, total repayment **\$554,244.00**, as the best balance between cost savings and budget sustainability; and

NOW, THEREFORE, BE IT RESOLVED The City Council:

1. **Authorizes the Acting City Manager** to purchase a Caterpillar 160 motor grader from NC Machinery for the price of **\$499,080.00** under Sourcewell cooperative contract pricing.
2. **Approves the financing agreement** with Caterpillar Financial Services Corporation for a five-year governmental lease, with annual payments of **\$110,848.61**, total repayment of **\$554,244.00**, at a fixed rate of **5.49% interest**.
3. Authorizes the Acting City Manager, or designee, to execute all documents necessary to complete the purchase and financing of the grader.

PASSED and ADOPTED by the Dillingham City Council on September 4, 2025.

Alice Ruby, Mayor

ATTEST:

[SEAL]

Abigail Flynn, Acting City Clerk