

TOWNSHIP OF LOWER MERION
Finance Committee
Issue Briefing

Topic: Early Replacement of Toro Mower

Prepared By: Eric Traub, Chief Financial Officer

Date: September 8, 2017

I. Action To Be Considered By The Board:

Consider for recommendation to the Board of Commissioners authorization to purchase a new Toro mower several months ahead of the scheduled equipment replacement.

II. Why This Issue Requires Board Consideration:

It has been the policy of the Board of Commissioners to approve equipment replacements requested off cycle as established in the Fleet Replacement Funding Plan.

III. Current Policy Or Practice (If Applicable):

The useful life of equipment is established in the Fleet Fund Replacement Policy. Each piece of equipment is charged a replacement contribution over its useful life. This allows for the replacement cost to be available at the end of the useful life of the equipment.

IV. Other Relevant Background Information:

The Toro mower is scheduled for replacement in 2018 and is the main mower used to maintain Township parks and ball fields. The Township began researching replacement options and found a viable replacement through CoStars (state purchasing contract). Turf Equipment and Supply Company, the vendor the Township has been working with to develop the specification, has offered the Township a promotion which allows the Township to purchase a 2017 model year Toro mower prior to October 31, 2017, and it can then pay for the mower in 2018 (no interest accrues until May 1, 2018).

The benefit to the Township is there is a projected 4% increase to the purchase price for the 2018 Toro model the Township is considering. This would allow the Township to get the desired equipment and save roughly \$4,000. Parks and Fleet staff have reviewed the 2017 model and believe it will meet the Township's needs and do not see an advantage in waiting for the 2018 model. The total cost for the Toro GM5910 mower fully outfitted will be \$104,483.82.

V. Impact On Township Finances:

Staff estimates the early purchase of this piece of equipment would save approximately \$4,000 versus the purchase of a 2018 model year.

VI. Staff Recommendation:

Staff recommends the Board of Commissioners authorize Township staff to purchase a new Toro mower several months ahead of the scheduled equipment replacement.