



AGENDA MEMORANDUM

Future Item for the City Council Meeting of February 11, 2014
 Action Item for the City Council Meeting of February 18, 2014

DATE: February 11, 2014

TO: Ronald L. Olson, City Manager

FROM: Michael Barrera, Assistant Director of Financial Services
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Lease-Purchase of Freightliner Trucks with Patcher Bodies

CAPTION:

Motion approving the lease-purchase of two (2) Freightliner trucks with patcher bodies from Freightliner of Austin, Austin, Texas for a total amount of \$277,074.00. The award is based on the cooperative purchasing agreement with the Texas Local Government Purchasing Cooperative (TLGPC). Funding is available from the City's lease-purchase financing contractor.

PURPOSE:

To be used by the Street Department to repair City streets.

BACKGROUND AND FINDINGS:

These units will be replacement units. A CNG engine is not suitable for these trucks due to the requirement for a small chassis that is low to the ground. A CNG configuration requires a large chassis that is high off the ground and would not work well in this application.

ALTERNATIVES:

CNG Standards Checklist

Standard	Meets Standard	Does not Meet Standard
Reliability (OEM available?)		(CNG not available on smaller chassis required)
Specifications (Dedicated CNG available?)		(CNG not available on smaller chassis required)
Economics (comparison available?)		(CNG not available on smaller chassis required)
Exclusions	X	
No OEM available	(CNG not available on smaller chassis required)	
Mission Capability compromised	X	

OTHER CONSIDERATIONS:

Financing for the lease-purchase of the Bergkamp Flameless Pothole Patcher Trucks is based on a sixty-month term with an estimated interest rate of 2.22% for an annual payment of \$58,598.40. The total estimated cost over the five-year period, including principal of \$277,074.00 and interest of \$15,918.00, is \$292,992.00. Funding is available through the Street Fund.

CONFORMITY TO CITY POLICY:

This purchase conforms to the City’s purchasing policies and procedures and State statutes regulating procurement.

EMERGENCY / NON-EMERGENCY:

Non-emergency.

DEPARTMENTAL CLEARANCES:

Street Department

FINANCIAL IMPACT:

x Operating Revenue Capital Not applicable

Fiscal Year: 2013-2014	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$668,357.24	\$273,459.20	\$941,816.44
Encumbered / Expended Amount		\$594,439.53	\$0	\$594,439.53
This item		\$19,532.80	\$273,459.20	\$292,992.00
BALANCE		\$54,384.91		\$54,384.91

Fund(s): Street Fund

Comments: The \$19,532.80 financial impact shown above represents four (4) months of payments that will be encumbered through the end of this fiscal year. The remaining \$273,459.20 for the last fifty-six (56) months of the lease-purchase payments will be requested for future fiscal years during the normal budget process.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Price sheet.