



AGENDA MEMORANDUM

Future Item for the City Council Meeting of December 9, 2014
Action Item for the City Council Meeting of December 16, 2014

DATE: December 9, 2014

TO: Ronald L. Olson, City Manager

FROM: Christela Morales, Procurement Manager
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Curbside Refuse and Recycle Containers

CAPTION:

Motion approving the lease purchase of 8,112 96-gallon curbside refuse containers and 1,870 96-gallon curbside recycle containers from Toter Incorporated, Statesville, NC for the total amount of \$548,223.96. The award is based on the cooperative purchasing agreement with the Houston-Galveston Area Council of Governments (H-GAC). The containers will be used in the City's automated collection program. Funds for the lease purchase of the curbside collection containers will be provided through the City's lease/purchase financing program.

PURPOSE:

These containers are used by customers for their refuse and recycling needs.

BACKGROUND AND FINDINGS:

These containers will be distributed to residents in new start-up homes, residents requesting additional containers and replacement units. The entire City is currently on the automated collection program.

ALTERNATIVES:

Not applicable.

OTHER CONSIDERATIONS:

The containers will be funded for a sixty-month period with an estimated interest rate of 2.35%. The actual interest rate will be determined after the acceptance of the containers. The estimated annual payment for the Solid Waste Department is \$116,319.72. Total estimated cost over the sixty-month period, including principal of \$548,223.96 and interest of \$33,374.64 is \$581,598.60.

CONFORMITY TO CITY POLICY:

This purchase conforms to the City’s purchasing policies and procedures and Texas State procurement laws.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Solid Waste Department

FINANCIAL IMPACT:

X Operating Revenue Capital Not applicable

Fiscal Year: 2014-2015	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$3,135,353.76	\$494,358.81	\$3,629,712.57
Encumbered / Expended Amount		\$0.00	\$0.00	\$0.00
This item		\$87,239.79	\$494,358.81	\$581,598.60
BALANCE		\$3,048,113.97	\$0.00	\$3,048,113.97

Fund(s): General Fund

Comments: The \$87,239.79 financial impact shown above represents nine months of payments that will be encumbered through the end of this fiscal year. The remaining \$494,358.81 for the last fifty-one (51) 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.