



## AGENDA MEMORANDUM

Future Item for the City Council Meeting of April 9, 2013  
Action Item for the City Council Meeting of April 23, 2013

**DATE:** April 9, 2013

**TO:** Ronald L. Olson, City Manager

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### Caterpillar Pneumatic Roller

**CAPTION:**

Motion approving the lease purchase of one (1) Caterpillar Pneumatic Roller from Holt Cat Machinery, Corpus Christi, TX for a total amount of \$112,183.00. The award is based on the cooperative purchasing agreement with the Texas Local Government Cooperative. The equipment will be used by the City's Street Department. This unit is a replacement to the fleet. Funds for the lease purchase of the roller will be provided by the City's lease purchase financing program.

**PURPOSE:**

The Street Department's base failure, utility cut repair and level-up crews require the use of a pneumatic wheel roller to compact soft spots and provide for uniform compaction in hot-mix asphalt used in street repair projects throughout the city.

**BACKGROUND AND FINDINGS:**

The current unit has been in service for fourteen years and the useful life of this roller has been exhausted. The local Holt Caterpillar dealer will deliver and service the new unit.

**ALTERNATIVES:**

Not applicable.

**OTHER CONSIDERATIONS:**

The Caterpillar Pneumatic Roller will be funded for a sixty-month period with an estimated interest rate of 1.89%. The actual interest rate will be determined after acceptance of the equipment. The estimated annual payment for the Caterpillar Roller will be \$23,531.04. Total estimated cost over the sixty month period, including principle of \$112,183.00 and interest of \$5,472.20 is \$117,655.20

**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:**

Operating                       Revenue                      X Capital                       Not applicable

<b>Fiscal Year: 2012-2013</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget		\$135,089.71	\$109,811.52	\$244,901.23
Encumbered / Expended Amount		\$78,213.36	\$0	\$78,213.36
This item		\$7,843.68	\$109,811.52	\$117,655.20
BALANCE		\$49,032.67		\$49,032.67

Fund(s): Street Fund

**Comments:** The \$7,843.68 financial impact shown above represents four months of payments that will be encumbered through the end of this fiscal year. The remaining \$109,811.52 for the last fifty-six months of 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