



AGENDA MEMORANDUM

Future Item for the City Council Meeting of December 18, 2012
Action Item for the City Council Meeting of January 8, 2013

DATE: 12/18/2012

TO: Ronald L. Olson, City Manager

FROM: Michael Barrera, Assistant Director of Financial Services
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Five Yard Wheel Loader

CAPTION:

Motion approving the lease purchase of one (1) five yard wheel loader from Nueces Power Equipment, of Corpus Christi, Texas based on the cooperative purchasing agreement with the Houston-Galveston Area Council of Governments (H-GAC), in the amount of \$239,427.14. The five yard wheel loader will be used by the Solid Waste Department. This unit is an addition to the fleet. Funds for the lease purchase of the wheel loader will be provided through the City's lease/financing program.

PURPOSE:

The wheel loader will be used to fill the transfer trailers at the J.C. Elliott Transfer Station.

BACKGROUND AND FINDINGS:

This unit is priced with a five-year full coverage extended warranty and five-year maintenance contract. The local Nueces Power Equipment dealership in Corpus Christi will provide for delivery, maintenance and warranty work on this unit. This unit is an addition to the fleet.

ALTERNATIVES:

Not Applicable.

OTHER CONSIDERATIONS:

The wheel loader will be funded for a sixty-month period with an estimated interest rate of 2.75%. The actual interest rate will be determined after acceptance of the wheel loader. The estimated annual payment is \$51,307.68. Total estimated cost over the sixty-month period, including principal of \$239,427.14 and the interest of \$17,111.26, is \$256,538.40.

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:

Operating Revenue Capital Not applicable

Fiscal Year: 2012-2013	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$289,669.30	\$239,435.84	\$529,105.14
Encumbered / Expended Amount		\$18,565.00		\$18,565.00
This item		\$17,102.56	\$239,435.84	\$256,538.40
BALANCE		\$254,001.74		\$254,001.74

Fund(s): Solid Waste Department

Comments:

The \$17,102.56 financial impact shown above represents two months of payments that will be encumbered through the end of this fiscal year. The remaining \$239,435.84 for the fifty eight months of payments will be requested in future years during the normal budget process.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet.