



AGENDA MEMORANDUM

Action Item for the City Council Meeting May 25, 2021

DATE: May 25, 2021
TO: Peter Zanoni, City Manager
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Lease-Purchase of four Right Hand Drive (RHD) Jeep Wranglers

CAPTION:

Motion authorizing the lease-purchase, via JPMorgan, of four Right Hand Drive Jeep Wranglers from Cowboy Motor Co. dba Moore Chrysler Dodge Jeep Ram of Silsbee, Texas through the TIPS USA Cooperative, for a total amount of \$189,360.81 to be used by the Solid Waste Department as additions to the fleet to support the City's new recycling compliance and education program, effective upon issuance of letter of acceptance, with FY 2021 funding in the amount of \$12,624.04 available through the General Fund and the remaining lease payments to commence in FY 2022.

SUMMARY:

This motion authorizes the lease purchase of four RHD Jeep Wranglers to support the Solid Waste Department's new recycling education and inspection program. The program is scheduled to begin in the fourth quarter of FY 2021. When the program initiates, the jeeps will be used to drive through recycle routes and inspect recycle carts that residents have set out for collection. Funding for the lease purchase was budgeted in the Solid Waste Services' Code Compliance FY 2021 operating budget.

BACKGROUND AND FINDINGS:

Solid Waste Services is introducing a recycling education and inspection program in FY 2021. The program is designed to decrease the volume of non-recyclable materials collected through the City's recycling program. The Solid Waste Department has determined that four RHD Jeep Wranglers are ideally suited to support inspection activities. The RHD configuration adds to the

program's efficiency as inspectors will be able to open the lids of recycle carts set out for collection and inspect the carts for unauthorized materials without exiting their vehicles. The cost of the recycling education and inspection program will be partially offset by the decrease in non-recyclable materials and associated recycling processing fees. These units will be additions to the fleet.

PROCUREMENT DETAIL:

This procurement is through the TIPS USA Cooperative. Contracts awarded through the TIPS USA Cooperative have been competitively procured in compliance with Texas Local and State procurement requirements. The percentage of savings on the TIPS USA Cooperative is 11.3% less than MSRP. In view of these savings through the TIPS USA Cooperative, it is the recommended method of purchase for the City.

ALTERNATIVES:

An alternative is to not purchase these vehicles, thus not inspecting for contaminated recycling carts and potentially diminishing the recycling education and inspection program's effectiveness.

FISCAL IMPACT:

The fiscal impact for FY 2021 is estimated at \$12,624.04 available through the General Fund. Financing for the lease-purchase of these four RHD Jeep Wranglers is based on a sixty-month term with an estimated interest rate of 2.00% for an annual estimated payment of \$37,872.00. The total estimated cost over the five-year period, including principal of \$180,058.00 and interest of \$9,302.81 is \$189,360.81.

Total Lease-Purchase Price:	\$180,058.00
Total estimated allowable interest for Lease:	<u>\$ 9,302.81</u>
Grand Total:	\$189,360.81

FUNDING DETAIL:

Fund: 1020
Organization/Activity: 12514
Mission Element: 032
Project # (CIP Only):
Account: 530190

RECOMMENDATION:

Staff recommends approval of this motion authorizing the lease-purchase of four RHD Jeep Wranglers for Solid Waste Operations with Cowboy Motor Co. dba Moore Chrysler Dodge Jeep Ram as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet
Picture