



AGENDA MEMORANDUM

Future Item for the City Council Meeting of March 19, 2013

Action Item for the City Council Meeting of March 26, 2013

DATE: March 19, 2012

TO: Ronald L. Olson, City Manager

FROM: Michael Barrera, Assistant Director of Financial Services
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Bergkamp Flameless Pothole Patcher Trucks

CAPTION:

Motion approving the lease-purchase of two (2) Bergkamp Flameless Pothole Patcher Trucks 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.

ALTERNATIVES:

Not applicable.

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 1.89% for an annual payment of \$58,117.98. The total estimated cost over the five-year period, including principal of \$277,074.00 and interest of \$13,515.89, is \$290,589.89. 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:

Operating Revenue Capital Not applicable

Fiscal Year: 2012-2013	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$779,014.98	\$280,903.57	\$1,059,918.55
Encumbered / Expended Amount		\$581,737.05	\$0	\$581,737.05
This item		\$9,686.32	\$280,903.57	\$290,589.89
BALANCE		\$187,591.61		\$187,591.61

Fund(s): Street Fund

Comments: The \$9,686.32 financial impact shown above represents two (2) months of payments that will be encumbered through the end of this fiscal year. The remaining \$280,903.57 for the last fifty-eight (58) 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.