



AGENDA MEMORANDUM

Future Item for the City Council Meeting of September 24, 2013

Action Item for the City Council Meeting of October 8, 2013

DATE: September 24, 2013

TO: Ronald L. Olson, City Manager

FROM: Michael Barrera, Assistant Director of Financial Services
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Curbside Refuse and Recycle Containers

CAPTION:

Motion approving the lease purchase of 7,488 96-gallon curbside refuse containers and 1,872 96-gallon curbside recycle containers from Toter Incorporated, Statesville, NC for the total amount of \$488,989.20. 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 2.18%. The actual interest rate will be determined after the acceptance of the containers. The estimated annual payment for the Solid Waste Department is \$103,313.40. Total estimated cost over the sixty-month period, including principal of \$488,989.20 and interest of \$27,577.55, is \$516,566.75.

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: 2013-2014	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$2,683,897.63	\$447,691.15	\$3,131,588.78
Encumbered / Expended Amount		16,376.96	0	16,376.96
This item		68,875.60	447,691.15	516,566.75
BALANCE		\$2,598,645.07	0	\$2,598,645.07

Fund(s): General Fund

Comments: The \$68,875.60 financial impact shown above represents eight months of payments that will be encumbered through the end of this fiscal year. The remaining \$447,691.15 for the last fifty-two (52) 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.