



AGENDA MEMORANDUM

Action Item for the City Council Meeting June 25, 2024

DATE: June 25, 2024

TO: Peter Zaroni, City Manager

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<p>Lease Purchase of a Komptech Crambo 6000 Brush Shredder for the Solid Waste Department</p>
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CAPTION:

Resolution authorizing the acquisition by lease-purchase of a brush and tire shredder unit from Powerscreen Texas, Inc., through the Sourcewell Cooperative and financed through JPMorgan, in the amount of \$1,006,737.58 for the Solid Waste Services Department, with FY 2024 funding of \$50,336.88 from the General Fund and the remaining balance of \$956,400.70 to be funded through the annual budget process.

SUMMARY:

This resolution authorizes the lease purchase of a new Komptech Crambo 6000 brush shredder from JPMorgan through the Sourcewell Cooperative for the Solid Waste Department. This item completes one of the 2024 budget initiatives for Solid Waste Services.

BACKGROUND AND FINDINGS:

The City of Corpus Christi collects approximately 235,000 cubic yards of brush annually from the City's curbside collection program. Additionally, residents deliver another 70,000 cubic yards annually to the J.C. Elliot Transfer Station. Prior to January 2024, brush was delivered to the Gulley Hurst Landfill for disposal at a cost of \$500,000 annually.

With the November 2023 expiration of the Gulley Hurst contract, brush will be processed at the JC Elliott Transfer Station by shredding for volume reduction. After the brush is shredded for volume reduction, it will be hauled to the City's new compost facility located at Cefe Valenzuela Landfill. This process will allow brush crews to maintain efficient operations by reducing the number and length of trips to the landfill. It will

also allow for more space to be used within the landfill for other waste items.

In preparation for brush processing at the JC Elliot Transfer Station, Solid Waste staff attended the U.S. Compost Conference in January 2024 and viewed over 30 shredders of various configurations. Subsequently, Solid Waste Services invited four vendors to visit Corpus Christi to demonstrate four different shredders. One of the four vendors declined the invitation. The other three vendors accepted the invitation and demonstrated their respective shredders for Solid Waste staff. Of the three shredders that were demonstrated, one was a single shaft and unable to handle Solid Waste’s waste mix. The other two shredders demonstrated were dual shaft and performed well. Both shredders that performed well were comparably priced; however, the 3R Machinery Pronar 2.101 shredder was slightly higher and the recommended Komptech Crambo 6000 shredder is listed on a purchase cooperative.

Along with brush processing, the recommended Komptech Crambo 6000 brush shredder will allow for the tires collected at the JC Elliott Transfer Station to be shredded and disposed locally. This will lead to savings of close to \$100,000 annually for the City. The City currently spends over \$100,000 annually on tire disposal without the availability of a shredder to breakdown the tires and dispose of them in the landfill.

With the savings realized from the cancellation of the Gulley Hurst contract and the elimination of the cost to dispose of tires, the City will realize savings of approximately \$600,000 annually.

PROCUREMENT DETAIL:

The procurement is through the Sourcewell Cooperatives. Contracts awarded through the cooperative have been competitively procured in compliance with Texas Local and State procurement requirements.

Procurement has modified their business practices for a proactive approach to the City’s vehicle and equipment procurement process. The modified business practice uses all resources available to ensure that vehicles and equipment are sourced and delivered in a timely manner while using economically favorable methods.

The total cost comparison assuming a 4.50% lease purchase rate between the 3R Machinery Pronar 2.101 and the recommended Komptech Crambo 6000 is provided below.

	Recommended Model		Variance \$	Variance %
	Komptech Crambo 6000	3R Machinery Pronar 2.101		
Description	Cost per Unit	Cost per Unit		
Brush and tire shredder unit	\$1,006,737.58	\$1,009,437.84	\$2,700.26	0.3%

ALTERNATIVES:

The alternative is to not approve the lease purchase and instead have the Brush and Bulky crews haul the material to the Cefe landfill. This will put more wear and tear on the trucks, require more time, and keep the brush crews in the neighborhoods later.

FISCAL IMPACT:

The FY 2024 fiscal impact of this lease purchase totals \$50,336.88 funded by General Fund. The remaining balance of \$956,400.70 for the lease purchase items will be funded through the annual budget process. The interest rate for the lease purchased items is 4.50% for a total cost of \$106,724.58 and a term of 60 months.

Solid Waste will lease purchase this piece of equipment due to the high cost, which is in line with all other large equipment purchases by the department.

FUNDING DETAIL:

Fund: 1020
Organization/Activity: 12504
Department: 31
Project# (CIP ONLY): N/A
Account: 530190

RECOMMENDATION:

Staff recommends approval of this item, as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet
Resolution
Picture