



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: December 18, 2012

TO: Ronald L. Olson, City Manager

FROM: Michael Barrera, Assistant Director of Financial Services
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Track Excavator

CAPTION:

Motion approving the lease-purchase of one (1) track excavator from Waukesha-Pearce Industries, Inc., Corpus Christi, Texas for a total amount of \$181,675.34. 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 Solid Waste Operations to load refuse onto trailers at the Transfer Station.

BACKGROUND AND FINDINGS:

This unit is an addition to the fleet and will become the main line operating unit. The unit currently in use will become the operating spare.

ALTERNATIVES:

Not applicable.

OTHER CONSIDERATIONS:

Financing for the lease-purchase of the track excavator is based on a sixty-month term with an estimated interest rate of 2.75% for an annual payment of \$38,931.84. The total estimated cost over the five-year period, including principal of \$181,675.34 and interest of \$12,984.09, is \$194,659.43. Funding is available through the General 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:

Solid Waste Operations

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	\$184,926.47	\$474,595.77
Encumbered / Expended Amount		\$18,565.00	\$0	\$18,565.00
This item		\$9,732.96	\$184,926.47	\$194,659.43
BALANCE		\$261,371.34		\$261,371.34

Fund(s): General Fund

Comments: The \$9,732.96 financial impact shown above represents three (3) months of payments that will be encumbered through the end of this fiscal year. The remaining \$184,926.47 for the last fifty-seven (57) 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.