



## AGENDA MEMORANDUM

Future Item for the City Council Meeting of October 29, 2013  
Action Item for the City Council Meeting of November 12, 2013

**DATE:** October 29, 2013

**TO:** Ronald L. Olson, City Manager

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### Freightliner Trucks with Trash Bodies

**CAPTION:**

Motion approving the lease-purchase of eight (8) Freightliner trucks with trash bodies from Freightliner of Houston, Houston, Texas for a total amount of \$1,573,114.00. The award is based on the cooperative purchasing agreement with the Houston-Galveston Area Council of Governments (HGAC). Funding is available from the city's lease-purchase financing contractor.

**PURPOSE:**

To be used by the Solid Waste Department for brush collection throughout the City.

**BACKGROUND AND FINDINGS:**

These units will be replacements to the fleet. All eight (8) trucks are equipped with CNG engines and are replacing diesel-fueled vehicles.

**ALTERNATIVES:**

Not applicable.

**OTHER CONSIDERATIONS:**

Financing for the lease-purchase of the Freightliner trucks with trash bodies is based on a sixty-month term with an estimated interest rate of 2.18% for an annual payment of \$332,366.60. The total estimated cost over the five-year period, including principal of \$1,573,114.00 and interest of \$88,718.99, is \$1,661,832.99.

**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 Department.

**FINANCIAL IMPACT:**

x Operating                       Revenue                       Capital                       Not applicable

<b>Fiscal Year: 2013-2014</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget		\$477,901.63	\$1,495,649.67	\$1,973,551.30
Encumbered / Expended Amount		\$169,305.59	\$0	\$169,305.59
This item		\$166,183.32	\$1,495,649.67	\$1,661,832.99
BALANCE		\$142,412.72		\$142,412.72

Fund(s): General Fund

**Comments:** The \$166,183.32 financial impact shown above represents six (6) months of payments that will be encumbered through the end of this fiscal year. The remaining \$1,495,649.67 for the last fifty-four (54) 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