



## **AGENDA MEMORANDUM**

Future Item for the City Council Meeting of January 19, 2016  
Action Item for the City Council Meeting January 26, 2016

**DATE:** January 12, 2016

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

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### **Purchase and Lease-Purchase of Pickup Trucks**

#### **CAPTION:**

Motion approving the purchase of eleven pickup trucks and the lease-purchase of seven pickup trucks from Caldwell Country Ford-Chevrolet, Caldwell, Texas for a total amount of \$642,896.04. The award is based on the cooperative purchasing agreement with the Texas Local Government Purchasing Cooperative (TLGPC). Funds in the amount of \$355,778.44 have been budgeted by the using departments in FY 2015-2016. The remaining \$287,117.60 for the fifty-six months of lease-purchase payments will be requested in future years during the normal budget process.

#### **PURPOSE:**

This item is to approve the purchase of eleven pickup trucks and the lease-purchase of seven pickup trucks.

#### **BACKGROUND AND FINDINGS:**

The Animal Control Department will lease-purchase five pickup trucks for day-to-day work. These five units are replacements to the fleet.

The Park and Recreation Department will purchase seven pickup trucks. Two of these pickup trucks are needed for installation of trash collection units (Par Kan). This method of trash collection will increase the efficiency of the City-maintained Gulf beaches and reduce the likelihood of employee injury. The remaining five pickup trucks will be used for beach rescue operations which involve lifeguard service, emergencies and patrolling the beach. The Park and Recreation Department Beach Operations and Rescue Division currently has 11 vehicles. The corrosive environment on the beach requires the department to replace vehicles on the beach frequently. The two pickup trucks are additions to the Fleet and the remaining five pickup trucks are replacements to the Fleet.

The Corpus Christi Auto Theft Task Force will purchase four pickup trucks with grant funding provided by the Texas Auto Burglary and Theft Prevention Authority (ABTPA).

The pickup trucks will be used for purposes outlined in the ABTPA grant, to aide in the reduction of auto crimes. These four units are replacements to the Fleet.

The Utility Business Office will lease-purchase two pickup trucks. These pickup trucks will be used by the Code Enforcers to place locks on meters for non-payment and investigate unauthorized usage. These two units are additions to the Fleet.

**ALTERNATIVES:**

CNG is not available for these vehicles.

**OTHER CONSIDERATIONS:**

Financing for the lease-purchase of the seven pickup trucks is based on a sixty month term with an estimated interest rate of 2.50% for an annual payment of \$61,525.20. The total estimated cost over the five-year period, including principal of \$288,894.25 and interest of \$18,731.75, is \$307,626.

**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:**

Park & Recreation, Police Department, and Water Department.

**FINANCIAL IMPACT:**

☐ Operating      ☐ Revenue      ☒ Capital      ☒ Not applicable

<b>Fiscal Year: 2015-2016</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget		\$1,061,757.00	\$287,117.60	\$1,348,874.60
Encumbered / Expended Amount		\$460,089.59	\$0.00	\$460,089.59
This item		\$355,778.44	\$287,117.60	\$642,896.04
BALANCE		\$245,888.97		\$245,888.97

Fund(s): General Fund, Police Grant Fund No. 1061, and Water Fund

**Comments:**

The \$20,508.40 financial impact shown above represents four months of payments that will be encumbered through the end of this fiscal year. The remaining \$287,117.60 for the fifty-six months of payments will be requested in future years during the normal budget process.

**RECOMMENDATION:**

Staff recommends approval of the motion as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Price Sheet.