



CITY OF
CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for the City Council Meeting April 14, 2026

DATE: April 14, 2026

TO: Peter Zanoni, City Manager

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**Lease-Purchase of five replacement heavy
vehicles for Solid Waste**

CAPTION:

Resolution authorizing the purchase of five replacement vehicles including four garbage trucks and one dumpster by the Solid Waste Department, which will be lease-purchases through JPMorgan, for a combined total amount of \$2,475,594.60, with such items to be acquired in the manner, at the amounts, and from the sources stated, with FY 2026 funding of \$165,039.72 from the General Fund and the remaining \$2,310,554.88 for the lease-purchases funded through the annual budget process.

SUMMARY:

This resolution authorizes the lease-purchase of five replacement heavy vehicles by Solid Waste, through the BuyBoard and Sourcewell Cooperatives.

BACKGROUND AND FINDINGS:

Solid Waste will lease-purchase four Autocar chassis with McNeilus automated side loader (ASL) bodies from Chastang Enterprises Houston LLC through the BuyBoard Cooperative for a total amount of \$2,170,434.16, with funding of \$144,695.68 for the lease purchase payments from the FY 2026 General Fund. These units are essential for the collection and transport of garbage from curbside locations within city neighborhoods to the landfill, ensuring proper disposal of waste materials. The units scheduled for replacement are near the recommended service life of 7 years or 12,000 hours, and their life-to-date (LTD) maintenance costs have exceeded or reached more than half of the

original purchase price. Lead time to receive a new ASL refuse truck is approximately one year from the purchase date to the receiving date, making it necessary to initiate the replacement process now to avoid future service disruptions.

Solid Waste Department will also lease-purchase one Western Star 49X chassis with roll-off body from Corpus Christi Freightliner through the Sourcewell Cooperative for \$305,160.44, with funding of \$20,344.04 for the lease purchase payments from the FY 2026 General Fund. This vehicle is crucial for the collection and transportation of wastewater sludge from various treatment plants to the landfill, ensuring proper disposal and the continuity of operations alongside Corpus Christi Water. The unit scheduled for replacement is near the recommended service life of 10,000 hours, and its life-to-date maintenance costs have already exceeded more than half of the original purchase price. Lead time to receive a new roll-off truck is approximately one year from the purchase date to the receiving date, making it necessary to initiate the replacement process now to avoid future service disruptions.

Staff performed an analysis of the estimated cost of maintenance if the City postpones the replacement process due to budget constraints. The table below shows maintenance cost increases over each year for four refuse trucks. Starting in 2022, the maintenance cost for 4 existing trucks was \$137,677.98, and by 2023, it was \$193,259.71. The costs grew to \$249,733.84 in 2024, then subsequently rose to \$410,108.35 in 2025. As of 2026, the department spent \$504,433.27 on maintenance expenses for these four vehicles. Given its daily operation in harsh environments, the vehicles experience significant wear and tears despite regular servicing and maintenance practices. Staff estimates, based on year-over-year data, that the maintenance expenditures for 4 refuse trucks would be approximately \$620,452.92 in 2027. Failure to replace the refuse trucks would result in higher maintenance expenses, more unplanned downtime, lost productivity, and a potential service disruption.

Type	Unit No.	Unit No. Description	FY: 2022	FY: 2023	FY: 2024	FY: 2025	Estimated 2026	Estimated 2027
Refuse	1721	Unit No: 1721 - 2020 - PETERBILT. - 520	38,685.25	67,118.17	73,022.61	92,379.45	113,626.72	139,760.87
Refuse	1739	Unit No: 1739 - 2020 - PETERBILT. - 520	26,445.00	37,546.86	76,569.85	98,717.92	121,423.04	149,350.34
Refuse	1743	Unit No: 1743 - 2020 - PETERBILT. - 520	24,365.05	28,637.49	45,491.04	99,451.59	122,325.46	150,460.31
Refuse	1744	Unit No: 1744 - 2020 - PETERBILT. - 520	48,182.68	59,957.19	54,650.34	119,559.39	147,058.05	180,881.40
		Total	137,677.98	193,259.71	249,733.84	410,108.35	504,433.27	620,452.92
		Percent Increase per Year		29%	23%	39%	23%	23%

Solid Waste Services must collect and dispose of garbage in a timely manner without any interruption or delays in service. These types of vehicles operate daily in rough conditions and experience significant wear on critical components. They are essential in maintaining continuous operations in coordination with TCEQ regulations concerning garbage collection within our city.

All Vehicles and Equipment

For each of the vehicles and equipment to be replaced, upon the arrival of each unit, the user department will turn in the old unit to the City auction yard in exchange for the new one. The old unit will then be formally designated for disposal under public sale practices. Following the City's current public sale practices, the unit will be staged for disposal during the City's annual auction in the succeeding October. All sales proceeds will return to the user department for future replacement funding. Units designated for auction may, from

time to time, be retained to support a department's ready reserve.

The City's Director of Finance & Procurement, or the Director's designee, will be authorized to approve necessary substitute acquisitions of vehicles, machinery, and equipment designated in this resolution, provided, (i) the substitute meets or exceeds the original product features available in the manner specified in this resolution, (ii) the substitute product is available through the same purchasing method, and (iii) at the same or lower pricing authorized in this resolution.

This means that, upon City Council approving this resolution, the City's Director of Finance & Procurement, or his/her designee, would be authorized to approve any substitutions for fleet items in the batch of vehicles only found in this resolution. Although to authorize such a substitution, the replacement(s) must meet or exceed the original requirements approved by the City Council for this resolution only.

Below is a summary table that provides an overview of the five vehicles being lease-purchased from the BuyBoard and Sourcewell Cooperatives with description, quantities and pricing.

Co-op	Description	Quantity	Cost
Sourcewell	Refuse Truck Package	4	\$2,170,434.16
BuyBoard	Roll-off Truck	1	\$305,160.44
Sum Total		5	\$2,475,594.60

PROCUREMENT DETAIL:

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

Procurement has modified its business practices for a proactive approach to the City's vehicle procurement process. The modified business practice utilizes all available resources to ensure that vehicles and equipment are sourced and delivered in a timely manner, employing economically favorable methods. The FY 2026 budget includes 257 additional and replacement vehicles and equipment. With the approval of this item, a total of 30% will have been procured year-to-date.

ALTERNATIVES:

The alternative is not to approve these purchases and instead continue using current units that are beyond their expected service lives. This will increase the cost of repairs and result in a loss of productive man-hours due to more frequent maintenance issues. It will also impact on employee safety, as the current units are beyond their expected service lives and are susceptible to malfunctions and other issues.

FISCAL IMPACT:

The FY 2026 fiscal impact of the lease-purchases totals \$165,039.72, funded by the General Fund. The remaining balance of \$2,310,554.88 for the lease purchase payments

includes \$248,886.60 in total interest based on a 4.25% interest rate and a term of 60 months. The remaining balance of \$2,310,554.88 will be funded through the annual budget process.

Funding Detail:

Fund Name	Accounting Unit	Account No.	Activity	Amount
General Fund	1020-31-12510	530190		144,695.68
General Fund	1020-31-12513	530190		20,344.04
Total				\$165,039.72

RECOMMENDATION:

City staff recommends the approval of this Resolution for the lease-purchase of five replacement heavy vehicles by Solid Waste, through the BuyBoard and Sourcewell Cooperatives.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Price Sheet
Mission and Purpose