



AGENDA MEMORANDUM

Action Item for the City Council Meeting April 27, 2021

DATE: April 27, 2021

TO: Peter Zaroni, City Manager

FROM: David S. Lehfeldt, Director of Solid Waste Services
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Purchase and Lease-Purchase of Transfer Trailers

CAPTION:

Motion authorizing the purchase of two replacement transfer trailers for \$167,806 and the lease-purchase, through JP Morgan, of one new transfer trailer from Spector Manufacturing, Inc. of St. Claire, Pennsylvania, for \$88,237.90 for a total amount of \$256,043.90 to be utilized by Solid Waste Operations; effective upon issuance of a letter of acceptance, with FY 2021 funding in the amount of not to exceed \$167,806 available through the Equipment Replacement Fund, with lease purchase payment commencing in FY 2022.

SUMMARY:

This motion authorizes the replacement purchase of two transfer trailers for a total of \$167,806 and one new unit for lease-purchase in the amount of \$88,237.90 to be utilized by Solid Waste Operations.

BACKGROUND AND FINDINGS:

Solid Waste Services currently has a need for transfer trailers. The trailers will be used to haul waste from the JC Elliott Transfer Station to the Cefe Valenzuela Landfill. These units will replace three trailers that have been in operation beyond their 10-year service life.

Depending on manufacturing and production schedules, it typically takes six to nine months to receive these trailers from the date of order. Payments will commence in FY2022, after equipment has been received. Funding has been requested in the FY2022

budget.

PROCUREMENT DETAIL:

Contracts and Procurement conducted a competitive Request for Bid process to obtain bids. The City received three bids and is recommending award to the lowest responsive, responsible bidder, Spector Manufacturing, Inc.

ALTERNATIVES:

An alternative is to do without the replacement trailers and continue using the older trailers which limits the department's ability to meet mission requirements due to the increasing age and increased maintenance requirements.

FISCAL IMPACT:

The fiscal impact for the Solid Waste Operations in FY 2021 for the purchase and lease-purchase is \$175,159.15. The remaining cost of \$80,884.75 will be budgeted during the annual budgeting process.

Financing for the lease-purchase of one East Walking Floor Transfer Trailer is based on a sixty-month term with an estimated interest rate of 2.00% for an annual estimated payment of \$17,647.58. The total estimated cost over the five-year period, including principal of \$83,903.00 and interest of \$4,334.90 is \$88,237.90.

Total Lease-Purchase Price:	\$ 83,903.00
Total estimated allowable interest for Lease:	<u>\$ 4,334.90</u>
Grand Total:	\$ 88,237.90

FUNDING DETAIL:

Fund:	5111	Equipment Replacement Fund
Organization/Activity:	12500	Solid Waste Administration
Mission Element:	201	Manage Fleet Inventories
Project # (CIP Only):		
Account:	550020	Vehicles & Machinery

RECOMMENDATION:

Staff recommends approval of this motion authorizing the purchase of two and the lease-purchase of one trailer from Spector Manufacturing, Inc., as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet
Bid Tab