



AGENDA MEMORANDUM

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

DATE: January 12, 2016

TO: Ronald L. Olson, City Manager

FROM: Robert Rocha, Fire Chief
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Lease-Purchase of Rescue Pumper

CAPTION:

Motion approving the lease-purchase of one rescue pumper from Siddons-Martin Emergency Group, Houston, Texas for a total \$669,253.20. The award is based on the Cooperative Purchasing Agreement with the Texas Local Government Cooperative. Financing for the lease-purchase will be provided through the City's lease-purchase financing contractor. \$22,308.44 for two months of payments will be encumbered through the end of FY 2015-2016. The remaining \$646,994.76 for the fifty eight months of payments will be requested in future years during the normal budget process.

PURPOSE:

The rescue pumper will be used by the Fire Rescue Division of the Fire Department for emergency response services.

BACKGROUND AND FINDINGS:

This unit will replace an existing pumper unit, allowing Fire Rescue to maintain the current level of service in the community. This unit is a replacement to the fleet.

Currently, the City operates 27 firefighting units in the fleet with 22 operating as front line units and 5 units placed in reserve status. The existing rescue pumper will replace one of the front line units which will likely be placed in reserve status. The existing reserve unit will be taken out of service and sold at public auction or transferred to another public agency.

ALTERNATIVES:

None.

OTHER CONSIDERATIONS:

Financing for the lease-purchase is based on a sixty-month term with an estimated interest rate of 2.50% for an annual payment of \$133,850.64. The total estimated cost over the five-year period, including principal of \$628,500.00 and interest of \$40,753.20, is \$669,253.20.

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:

Fire Department

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☒ Capital ☐ Not applicable

Fiscal Year: 2015-2016	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$743,025.40	\$646,891.52	\$1,389,916.92
Encumbered / Expended Amount		\$401,494.66	\$0	\$401,494.66
This item		\$22,308.44	\$646,994.76	\$669,253.20
BALANCE		\$319,169.06	\$0	\$319,169.06

Fund(s): General Fund

Comments:

N/A

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet