



AGENDA MEMORANDUM

Future Item for the City Council Meeting of September 16, 2014
Action Item for the City Council Meeting of September 23, 2014

DATE: September 16, 2014

TO: Ronald L. Olson, City Manager

FROM: Christela Morales, Procurement Manager
christelam@cctexas.com
361-826-3169

Jim Davis, Director of General Services
jimd@cctexas.com
361-826-1909

**Purchase and Lease Purchase of five (5) CNG Vehicles,
one (1) Hybrid Vehicle and four (4) Heavy Trucks**

CAPTION:

Motion approving the purchase two (2) CNG vehicles, one (1) hybrid vehicle, four (4) heavy trucks and the lease-purchase of two (2) CNG Vans and one (1) CNG heavy trucks from Caldwell Country Chevrolet, Caldwell, Texas for a total amount of \$403,907.23. The award is based on the cooperative purchasing agreement with the Texas Local Government Purchasing Cooperative (TLGPC). Funds for the purchase of the vehicles have been budgeted in FY 2013-2014. Financing for the lease-purchase of the vehicles will be provided through the City's lease-purchase financing contractor.

PURPOSE:

These vehicles will be used by the using departments in performance of their duties throughout the City. Seven (7) units are replacements to the fleet and three (3) units are additions to the fleet. Replaced units will be disposed of through standard disposal of surplus property procedures, including live auctions and/or electronic auctions.

BACKGROUND AND FINDINGS:

The equipment will be purchased through the cooperative purchasing agreement with Texas Local Government Purchasing Cooperative (TLGPC). TLGPC acts as a purchasing agent for participating members through the Inter-local Cooperation Act and abides by all Texas statues regarding competitive bidding requirements.

ALTERNATIVES:

Not applicable.

OTHER CONSIDERATIONS:

Not applicable.

CONFORMITY TO CITY POLICY:

This purchase conforms to the City's purchasing policies and procedures and Texas State procurement laws.

EMERGENCY / NON-EMERGENCY:

Non-Emergency.

DEPARTMENTAL CLEARANCES:

Fleet Maintenance Services, Facility Maintenance, Libraries Grant Fund No. 1068, Neighborhood Services, Park and Recreations, Solid Waste Department, Street Department, Water Department

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2013-2014	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$8,246,802.12	\$149,062.80	\$8,395,864.92
Encumbered / Expended Amount		\$5,159,956.85	0.00	\$5,159,956.85
Purchase		\$259,400.07	0.00	\$259,400.07
Lease Purchase		0.00	\$149,062.80	\$149,062.80
BALANCE		\$2,827,445.20	0.00	\$2,827,445.20

Fund(s): General Fund, Libraries Grant Fund No. 1068, Stormwater Fund, Water Fund & the Capital Outlay Budget of the Fleet Maintenance Services Fund.

Comments:

Funding for the purchase of the vehicles, in the amount of \$259,400.07, is available in the General Fund, Stormwater Fund, Water Fund and the Capital Outlay Budget of the Fleet Maintenance Services Fund for FY 2013-2014. Funding for the lease purchase of the remaining vehicles are approved in the FY 2013-2014 budget. However, the equipment will be delivered and paid for in FY 2014 -2015 and, therefore, no funds are required in this fiscal year.

Funding is provided through the City’s lease/purchase financing agreement for a sixty-month period. The estimated interest rate is 2.35%. The actual interest rate will be determined after acceptance of the equipment. The estimated annual payment is \$29,812.56. Total estimated cost over the sixty-month period, including principal of \$140,509.16 and interest of \$8,553.64, is \$149,062.80.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet