



AGENDA MEMORANDUM

Future Item for the City Council Meeting of December 11, 2012
Action Item for the City Council Meeting of December 18, 2012

DATE: 12/11/2012

TO: Ronald L. Olson, City Manager

FROM: Michael Barrera, Assistant Director of Financial Services
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Curbside Refuse Containers

CAPTION:

Motion approving the lease purchase of 6,500 96-gallon curbside refuse containers from Toter Incorporated, Statesville, NC for the total amount of \$307,420. The award is based on the cooperative purchasing agreement with the Houston-Galveston Area Council of Governments (H-GAC). The containers will be used in the City's automated collection program. Funds for the lease purchase of the curbside collection containers will be provided through the City's lease/purchase financing program.

PURPOSE:

These containers will be used in the City's automated collection program.

BACKGROUND AND FINDINGS:

These containers will be distributed to residents in new start-up homes, residents requesting additional containers and replacement units. The entire City is currently on the automated collection program.

ALTERNATIVES:

Not applicable.

OTHER CONSIDERATIONS:

The containers will be funded for a sixty-month period with an estimated interest rate of 2.75%. The actual interest rate will be determined after the acceptance of the containers. The estimated annual payment for the Solid Waste Department is \$65,878.20. Total estimated cost over the sixty-month period, including principal of \$307,420 and interest of \$21,971, is \$329,391.

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:

Solid Waste Department

FINANCIAL IMPACT:

X Operating Revenue Capital Not applicable

Fiscal Year: 2012-2013	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$2,482,793.11	\$296,451.90	\$2,779,245.01
Encumbered / Expended Amount		181,304.83	0.00	181,304.83
This item		32,939.10	296,451.90	\$329,391.00
BALANCE		\$2,268,549.18	0.00	\$2,268,549.18

Fund(s): General Fund

Comments:

The \$32,939.10 financial impact shown above represents six months of payments that will be encumbered through the end of this fiscal year. The remaining \$296,451.90 for the last fifty-four (54) months of the lease-purchase payments will be requested for future fiscal years during the normal budget process.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Price sheet.