



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting March 16, 2021

**DATE:** March 16, 2021

**TO:** Peter Zaroni, City Manager

**FROM:** David S. Lehfeldt, Director of Solid Waste Services  
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### **Lease-Purchase of One Roll-Off Truck for Solid Waste**

#### **CAPTION:**

Motion authorizing the lease-purchase of one roll-off truck from Lonestar Freightliner Group, LLC of Waco, Texas, for a total amount of \$214,522.96, to be used by Solid Waste Operations, effective upon issuance of letter of acceptance with FY 2021 funding in the amount of \$7,150.76 available through the General Fund.

#### **SUMMARY:**

This motion will authorize the lease-purchase of one roll-off truck to be used by Solid Waste Operations through the BuyBoard Cooperative. This equipment will be used to haul sludge containers from wastewater plants to the Cefe Valenzuela landfill. This roll-off truck is a replacement unit.

#### **BACKGROUND AND FINDINGS:**

Solid Waste currently has an operational requirement for the lease-purchase of one roll-off truck. This unit will be utilized to haul sludge containers from wastewater plants to the Cefe Valenzuela landfill. The roll-off truck in current operation has exceeded its expected service of 10 years or 10,000 hours. It is a 2012 Peterbilt with 12,343 hours.

This procurement is through the BuyBoard Cooperative. Contracts awarded through the BuyBoard Cooperative have been competitively procured in compliance with Texas Local and State procurement requirements. The percentage of savings on the BuyBoard Cooperative is 32% less than MSRP. In view of these savings through the BuyBoard Cooperative, it is the recommended method of purchase for the City.

### **ALTERNATIVES:**

An alternative is to continue using the older roll-off truck which will require frequent maintenance causing downtime when being repaired.

### **FISCAL IMPACT:**

The fiscal impact for Solid Waste Operations in FY 2021 is \$7,150.76. The remaining cost of \$207,372.20 will be budget during the annual budgeting process.

Financing for the lease-purchase of the Roll Off Truck is based on a sixty-month term with an estimated interest rate of 2.00% for an annual estimated payment of \$42,904.56. The total estimated cost over the five-year period, including principal of \$203,984.00 and interest of \$10,538.96 is \$214,522.96.

Total Lease-Purchase Price:	\$203,984.00
Total estimated allowable interest for Lease:	<u>\$ 10,538.96</u>
Grand Total:	\$214,522.96

### **FUNDING DETAIL:**

Fund:	1020	General Fund
Organization/Activity:	12513	Sludge Hauling
Mission Element:	033	Landfills
Project # (CIP Only):	N/A	
Account:	530190	Lease-Purchase

### **RECOMMENDATION:**

Staff recommends approval of this motion authorizing the lease-purchase of one Roll Off Truck for Solid Waste Operations with Lonestar Freightliner Group, LLC, as presented.

### **LIST OF SUPPORTING DOCUMENTS:**

Price Sheet