

### **AGENDA MEMORANDUM**

for the City Council Meeting of May 8, 2012

**DATE:** 5/8/2012

**TO**: Ronald L. Olson, City Manager

**FROM**: Michael Barrera

Assistant Director of Financial Services

mikeb@cctexas.com

Installation of a Split Rear Load Refuse Body and Lift Roll-Off Body

## **CAPTION:**

**RECOMMENDATION:** Motion approving the installation of one (1) split rear load refuse body and one (1) lift roll-off body from Heil of Texas of Houston, Texas for a total contract amount of \$209,511 of which \$3,741.41 is required for FY 2011-2012. The award is based on the Cooperative Purchasing Agreement with the Texas Local Government Cooperative. These bodies are replacements bodies and will be used by the Solid Waste Department. Funds for the lease purchase of the split rear load refuse body and lift roll-off body will be provided through the City's lease/financing program.

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

This equipment will be used by Solid Waste Department for refuse and recycling operations. The existing bodies have been in service for seven (7) years. Due to metal fatigue and corrosion, the existing equipment has been deemed unsuitable, while the cab and chassis are still in sound condition.

Maintenance Services will be responsible for removing the existing bodies and transporting them to and from the contractor. Heil of Texas will mount the new bodies on the Peterbilt 320 Chassis'.

### **ALTERNATIVES:**

Not applicable.

### **OTHER CONSIDERATIONS:**

The equipment 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 equipment. The

estimated annual payment is \$44,896.92. Total estimated cost over the sixty-month period, including principal of \$209,511 and interest of \$14,973.60, is \$224,484.60.

# **CONFORMITY TO CITY POLICY:**

This purchase conforms to all City purchasing policies and procedures and State statutes regulating procurement.

# **EMERGENCY / NON-EMERGENCY**:

Not applicable.

# **DEPARTMENTAL CLEARANCES:**

Solid Waste Department

**FINANCIAL IMPACT**: Operating Expense

| Fiscal Year: 2011-<br>2012 | Project to Date<br>Expenditures<br>(CIP only) | Current Year   | Future Years | TOTALS         |
|----------------------------|---|----------------|--------------|----------------|
| Line Item Budget           |   | \$2,143,417.91 | \$220,743.19 | \$2,364,161.10 |
| Encumbered /               |   |                |              |                |
| Expended Amount            |   | 1,887,590.86   | 0.00         | 1,887,590.86   |
| This item                  |   | 3,741.41       | \$220,743.19 | 224,484.60     |
| BALANCE                    |   | \$252,085.64   | 0.00         | \$252,085.64   |

Fund(s): General Fund

Comments: Lease payments are expected to commence on or about July 1, 2012.

### **RECOMMENDATION:**

Staff recommends approval of the motion as presented.

# **LIST OF SUPPORTING DOCUMENTS:**

Price sheet attached.

**Approvals:** Veronica Ocanas, Assistant City Attorney

Constance P. Sanchez, Director of Financial Services

Eddie Houlihan, Assistant Director of Management and Budget

Margie C. Rose, Assistant City Manager