



## **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 John Deere 644P Wheel Loader for Solid Waste Services**

#### **CAPTION:**

Motion authorizing the lease-purchase of one John Deere 644P wheel loader from Doggett Heavy Machinery Services, LLC, of Corpus Christi, Texas for a total amount of \$316,507.18 to be used by Solid Waste Services, effective upon issuance of letter of acceptance with FY 2021 funding in the amount of \$10,550.24 available through the General Fund.

#### **SUMMARY:**

This motion authorizes the lease-purchase of one John Deere 644P wheel loader through the Sourcewell Cooperative. This wheel loader will be used by Solid Waste to load compost into dump trucks, load brush into the grinder, move mulch and screen compost at the City's planned composting facility. This will be an addition to existing fleet.

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

Solid Waste currently has a requirement for the lease-purchase of one John Deere 644P wheel loader, which will be utilized to load compost and materials into dump trucks, and for other operations at the City's composting facility.

This procurement is through the Sourcewell Cooperative. Contracts awarded through the Sourcewell Cooperative have been competitively procured in compliance with Texas Local and State procurement requirements. The percentage of savings on the Sourcewell Cooperative quote is 37% less than list price. In view of these savings through the Sourcewell Cooperative, it is the recommended method of purchase for the City.

### **ALTERNATIVES:**

Alternatives would be to rent this equipment for a higher cost, borrow one from other city operations without assured availability, or not operate a compost facility.

### **FISCAL IMPACT:**

The fiscal impact for FY 2021 is estimated at \$10,550.24 available through the General Fund. Financing for the lease-purchase of the John Deere 644P wheel loader is based on a sixty-month term with an estimated interest rate of 2.00% for an annual estimated payment of \$63,301.44. The total estimated cost over the five-year period, including principal of \$300,958.00 and interest of \$15,549.18, is \$316,507.18.

Total Lease-Purchase Price:	\$300,958.00
Total estimated interest for Lease:	<u>\$ 15,549.18</u>
Grand Total:	\$316,507.18

### **FUNDING DETAIL:**

Fund:	1020	General Fund
Organization/Activity:	12504	JC Elliot Transfer Station
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 John Deere 644P wheel loader for Solid Waste Services from Doggett Heavy Machinery Services, LLC, as presented.

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

Price Sheet