



AGENDA MEMORANDUM

Future Item for the city Council meeting of January 19, 2016
Action Item for the City Council Meeting of January 26, 2016

DATE: January 12, 2016

TO: Ronald L. Olson, City Manager

FROM: Jim Davis, Director of Fleet Maintenance Services
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Lease-Purchase of Two Ford F-350 Super Duty Trucks

CAPTION:

Motion approving the lease-purchase of two Ford F-350 super duty trucks from Grande Truck Center, Houston, Texas for a total amount of \$188,055.60. The award is based on the cooperative purchasing agreement with the Texas Local Government Purchasing Cooperative (TLGPC). \$12,537.04 is four months of payments that will be encumbered through the end of FY 2015-2016. The remaining \$175,518.56 for the fifty-six months of payments will be requested in future years during the normal budget process.

PURPOSE:

To approve the lease-purchase of two Ford F-350 super duty trucks for the Street Department.

BACKGROUND AND FINDINGS:

These trucks will be used by the Signs and Markings department to install street signs as required by Texas Department of Public Safety specifications. These trucks are equipped with a hydraulic operated digger for the installation of signs. Both units are replacements to the fleet.

ALTERNATIVES:

These trucks are not available in compressed natural gas (CNG).

OTHER CONSIDERATIONS:

Financing for the lease-purchase of the vehicles is based on a sixty month term with an estimated interest rate of 2.50% for an annual payment of \$37,611.12. The total estimated cost over the five-year period, including principal of \$176,604.00 and interest of \$11,451.60, is \$188,055.60

CONFORMITY TO CITY POLICY:

This lease-purchase conforms to the City's purchasing policies and procedures and State statutes regulating procurement.

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

Street Department

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☒ Capital ☐ Not applicable

Fiscal Year: 2015-2016	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$22,003.00	\$175,518.56	\$197,521.56
Encumbered / Expended Amount		\$3.00	\$0.00	\$3.00
This item		\$12,537.04	\$175,518.56	\$188,055.60
BALANCE		\$9,465.96	\$0.00	\$9,465.96

Fund(s): General Fund

Comments:

The \$12,537.04 financial impact shown above represents four months of payments that will be encumbered through the end of this fiscal year. The remaining \$175,518.56 for the fifty-six months of payments will be requested in future years during the normal budget process.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet