



## AGENDA MEMORANDUM

Action Item for the City Council Meeting of September 8, 2020

**DATE:** September 8, 2020

**TO:** Peter Zaroni, City Manager

**FROM:** Richard Martinez, Director of Public Works  
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### Lease-Purchase of Two Street Sweepers for Public Works

#### **CAPTION:**

Motion authorizing a lease-purchase for the addition of two street sweepers from TYMCO, Inc. from Waco, Texas in an amount of \$624,973.32 to be utilized as part of the Mill and Overlay/Base Pavement repair projects by Public Works as additions to the fleet in support of the City's street maintenance with funding requested in the FY 2021 Proposed Budget through the Streets Fund.

#### **SUMMARY:**

This motion is to authorize the lease-purchase of two TYMCO 500x street sweepers for Public Works through the BuyBoard Cooperative. This equipment will be used in support of the City's street maintenance and repairs, as additions to the fleet inventory. Currently the Street Operations Division or Storm Water division have no regenerative air sweepers in inventory.

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

Public Works has an operational need for two street sweepers, which will be utilized by In-house Mill & Overlay/Base Pavement crews in support of the City's street maintenance and repair program. These units have the ability to dump waste materials collected directly into a dump truck without any violation to the Texas Pollutant Discharge Elimination System (TPDES) permit. With these two sweepers both programs run effectively without any delays to the paving process.

The contracts awarded through the BuyBoard Cooperative have been competitively procured and are in compliance with Texas local and state procurement requirements. The percentage of savings on the cooperative quote is 10% (\$32,007.00) less than list price. In view of these savings through the BuyBoard Cooperative, it is the recommended method of purchase for the City. Funding has been requested in the FY 2021 Proposed Budget.

### **ALTERNATIVES:**

An alternative not to lease-purchase this equipment would be to contract this type of service, which would be much more expensive. This would result in a delay in construction work related to street maintenance; therefore, creating a loss of productivity.

### **FISCAL IMPACT:**

There is no fiscal impact for Public Works in FY 2020 for the lease-purchase of the two street sweepers. The remaining balance will be budgeted in future years through the annual budget process.

Financing for the lease-purchase of these two street sweepers is based on a 60-month term with an estimated interest rate of 2.00% for an annual estimated payment of \$124,994.66. The total estimated cost over the five-year period, including principal of \$594,270.00 and interest of \$30,703.32 is \$624,973.32.

Total Lease-Purchase Price:	\$594,270.00
Total estimated allowable interest for Lease:	<u>\$ 30,703.32</u>
Grand Total:	\$624,973.32

### **FUNDING DETAIL:**

Fund:	1041 Streets Fund
Organization/Activity:	12430 Surface Preservation
Mission Element:	051 Maintain Pavement & Associated Improvements
Project # (CIP Only):	N/A
Account:	530190 Lease-Purchase

### **RECOMMENDATION:**

Staff recommends approval of this lease-purchase with TYMCO, Inc. for two street sweepers as presented.

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

Price Sheet