



AGENDA MEMORANDUM
for the City Council Meeting of April 24, 2012

DATE: 4/24/2012

TO: Ronald L. Olson, City Manager

FROM: Michael Barrera, Assistant Director of Financial Services
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Mikeb@cctexas.com

Lease Purchase of five (5) Dump Trucks

CAPTION:

RECOMMENDATION: Motion approving the lease purchase of five (5) dump trucks from Rush Truck Centers of Texas LP, Houston, Texas for a total amount of \$897,500.00 of which \$65,085.77 is required for the remainder of FY 2011-2012. The award is based on the cooperative purchasing agreement with the Texas Local Government Purchasing Cooperative (TLGPC). All units are replacement to the fleet and will be used by the Wastewater Department. Financing for the lease purchase of the vehicles will be provided through the City's lease/purchase financing program.

BACKGROUND AND FINDINGS:

The five (5) dump trucks will be used by the Wastewater Department to haul biosolids to the landfill on a daily basis. This is part of the final treatment process required by the wastewater treatment plants to meet TCEQ and EPA permit requirements. The dump trucks will be equipped to operate on compressed natural gas (CNG). These units will replace five diesel operated dump trucks currently in the fleet.

ALTERNATIVES:

Not applicable.

OTHER CONSIDERATIONS:

Funds in the amount of \$50,000 from the Gas Grants Fund No. 1053 will be used to pay down the note. The remaining \$847,500 will be financed over a sixty-month period with an estimated interest rate of 2.62%. The actual interest rate will be determined after acceptance of the dump trucks. The estimated annual payment is \$181,029.24. Total estimated cost over the sixty-month period, including principal of \$847,500 and interest of \$57,646.20, is \$905,146.20.

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:

Wastewater Department

FINANCIAL IMPACT:

Fiscal Year: 2011-2012	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$124,791.66	\$890,060.43	\$1,014,852.09
Encumbered / Expended Amount		0.00	0.00	0.00
This item		\$65,085.77	\$890,060.43	\$955,146.20
BALANCE		\$59,705.89	0.00	\$59,705.89

Fund(s): Wastewater Fund 4200 (\$15,085.77) and Gas Grants Fund 1053 (\$50,000)

Comments:**RECOMMENDATION:**

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Price sheet attached.

Approvals: Veronica Ocañas, Assistant City Attorney
Constance Sanchez, Director of Financial Services
Eddie Houlihan, Assistant Director of Management and Budget
Margie C. Rose, Assistant City Manager