



## AGENDA MEMORANDUM

Future Item for the City Council Meeting of December 08, 2015

Action Item for the City Council Meeting of December 15, 2015

**DATE:** December 8, 2015

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

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### Lease-Purchase of One Box Van and One Mobile Camera Inspection Unit

#### **CAPTION:**

Motion approving the lease-purchase of one box van and one mobile camera inspection unit from the following companies for the amounts below for a total cost of \$170,322.62. The award is based on the cooperative purchasing agreement with the Houston-Galveston Area Council of Government (H-GAC). Funding is available from the City's lease purchase financing contractor.

<u>Houston Freightliner</u>	<u>Green Equipment Company</u>
Houston, TX	Manvel, TX
Box Van	Mobile camera inspection unit
\$47,861.00	\$122,461.62

**Total Cost: \$170,322.62**

#### **PURPOSE:**

Approval to lease-purchase a box van and a mobile camera inspection unit to be used by the wastewater department.

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

This Close Circuit Television (CCTV) van is replacing a previous unit that was decommissioned and sold a couple of years ago without being replaced.

#### **ALTERNATIVES:**

The box van and mobile camera inspection unit are not available in compressed natural gas (CNG). Due to the configuration, they are not compatible.

**OTHER CONSIDERATIONS:**

Financing for the lease-purchase of two items is based on a sixty-month term with an estimated interest rate of 2.5% for an annual payment of \$36,273.36. The total estimated cost over the five-year period, including principal of \$170,322.62 and interest of \$11,044.18, is \$181,366.80. Funding is available through the Utilities department general fund.

**CONFORMITY TO CITY POLICY:**

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

**EMERGENCY / NON-EMERGENCY:**

Non-emergency

**DEPARTMENTAL CLEARANCES:**

Wastewater Department

**FINANCIAL IMPACT:**

Operating       Revenue       Capital       Not applicable

<b>Fiscal Year: 2015-2016</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget		\$128,947.00	\$166,252.90	\$295,199.90
Encumbered / Expended Amount		\$2.00	\$0.00	\$2.00
This item		\$15,113.90	\$166,252.90	\$181,366.80
BALANCE		\$113,831.10	\$0.00	\$113,831.10

Fund(s): Wastewater Department

**Comments:**

The \$15,113.90 financial impact shown above represents five (5) months of expenditures that will be encumbered through the end of this fiscal year. The remaining \$166,252.90 for the remaining fifty-five (55) months of the contract will be requested for future fiscal years during the normal budget process.

**RECOMMENDATION:**

Staff recommends approval of the motion as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Price Sheet