



AGENDA MEMORANDUM

Future Item for the City Council Meeting of September 22, 2015
Action Item for the City Council Meeting of September 29, 2015

DATE: September 22, 2015

TO: Ronald L. Olson, City Manager

FROM: Maria Pedraza, Procurement Manager
MariaPe@cctexas.com
361-826-3176

Lawrence Mikolajczyk, Director of Solid Waste Operations
lawm@cctexas.com
361-826-3932

Curbside Refuse and Recycle Containers

CAPTION:

Motion approving the lease-purchase of 10,616 96-gallon curbside refuse containers and 1,870 96-gallon curbside recycle containers from Cascade Cart Solutions, Grand Rapids, MI for the total amount of \$626,916.01. The award is based on the cooperative purchasing agreement with the Houston-Galveston Area Council of Government (H-GAC). The containers will be used in the City's automated collection program. Funding is available from the city's lease purchase financing contractor.

Lease-Purchase Price	\$588,741.04
Interest for Lease	\$38,174.97
Total Cost	\$626,916.01

PURPOSE:

Approvals to lease-purchase refuse and recycle carts. These containers are used by customers for their refuse and recycling needs.

BACKGROUND AND FINDINGS:

These containers will be distributed to residents in new start-up homes, residents requesting additional containers and replacement units. The entire City is currently on the automated collection program.

ALTERNATIVES:

Not applicable.

OTHER CONSIDERATIONS:

The containers will be funded for a sixty-month period with an estimated interest rate of 2.5%. The actual interest rate will be determined after the acceptance of the containers. The estimated annual payment for the Solid Waste Department is \$125,383.20. Total estimated cost over the sixty-month period, including principal of \$588,741.04 and interest of \$38,174.97 is \$626,916.01.

CONFORMITY TO CITY POLICY:

This purchase conforms to the City's purchasing policies and procedures and Texas State procurement laws.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Solid Waste Department

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☒ Capital ☐ Not applicable

Fiscal Year: 2014-2015	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$2,979,025.76	\$626,916.01	\$3,605,941.77
Encumbered / Expended Amount		\$2,691,372.41	\$0.00	\$2,691,372.41
This item		\$0	\$626,916.01	\$626,916.01
BALANCE		\$287,653.35		\$287,653.35

Fund(s): General Fund

Comments:

Funding for the lease purchase of the 10,616 96-gallon curbside refuse containers and 1,870 96-gallon curbside recycle containers are approved in the FY 2014–2015 budget. However, the carts will be delivered and paid for in FY 2015-2016 and, therefore; no funds are required in this fiscal year

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Price sheet.