



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

Jim Davis, Director of General Services
jimd@cctexas.com
(361) 826-1909

Andres Leal, Jr., P.E., Interim Director of Street Operations
andyl@cctexas.com
(361) 857-1957

Lease-Purchase of Bucket Trucks
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CAPTION:

Motion approving the lease-purchase of two bucket trucks from Grande Truck Center of San Antonio, Texas for a total cost of \$200,502.80. The award is based on the cooperative purchasing agreement with the Texas Local Government Purchasing Cooperative (TLGPC). Funding is available from the city's lease-purchase financing contractor.

Purchase Price: \$188,293.52
Interest for Lease: \$12,209.28
Total Cost: \$200,502.80

PURPOSE:

To approve the lease-purchase of two bucket trucks for the Street Department.

BACKGROUND AND FINDINGS:

Financing for the lease-purchase is based on a sixty-month term with an estimated interest rate of 2.5% for an annual payment of \$40,100.56. The total estimated cost over the five-year period, including principal of \$188,293.52 and interest of \$12,209.28 is \$200,502.80.

ALTERNATIVES:

These two units are not available in compress natural gas (CNG) due to the configuration of the trucks.

OTHER CONSIDERATIONS:

The units are replacement units to the fleet. Replaced units will be disposed of through standard disposal of surplus property procedures, including live auctions and/or electronic auctions.

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:

Fleet Maintenance

Street Operations

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		\$21,000.00	\$200,502.80	\$221,502.80
Encumbered / Expended Amount		\$20,889.26	\$0.00	\$20,889.26
This item		\$0.00	\$200,502.80	\$200,502.80
BALANCE		\$110.74	\$0.00	\$110.74

Fund(s): Streets Fund

Comments:

Funding for the lease purchase of the two bucket trucks is approved in the FY 2014–2015 budget. However, the equipment will be delivered and paid for in FY 2015-2016, therefore no funds are required in this fiscal year.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet