



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
jjmd@cctexas.com
361-826-1909

Purchase and Lease-Purchase of Vehicles

CAPTION:

Motion approving the purchase of fifteen vehicles and the lease-purchase of thirty-three vehicles from Caldwell Country Chevrolet, Caldwell, Texas for a total amount of \$1,451,711.48. The award is based on the cooperative purchasing agreement with the Texas Local Government Purchasing Cooperative (TLGPC). Funds for the purchase of the vehicles have been budgeted in FY 2014-2015. Financing for the lease-purchase of the vehicles will be provided through the City's lease-purchase financing contractor.

Purchase:	\$416,532.28
Lease Purchase:	\$972,143.73
Interest for Lease:	\$63,035.47
Total Cost:	\$1,451,711.48

PURPOSE:

To approve the purchase of fifteen vehicles and the lease-purchase of thirty-three vehicles.

BACKGROUND AND FINDINGS:

Eleven units are additions to the fleet and thirty-seven units are replacements to the fleet. Replaced units will be disposed of through standard disposal of surplus property procedures, including live auctions and/or electronic auctions.

ALTERNATIVES:

The vehicles will be purchased through the cooperative purchasing agreement with Texas Local Government Purchasing Cooperative (TLGPC). TLGPC acts as a purchasing agent for participating members through the Inter-local Cooperation Act and abides by all Texas statutes regarding competitive bidding requirements.

Seven vehicles are available in compressed natural gas (CNG). However, forty-one vehicles are not available in CNG due to vehicle not manufactured as CNG or due to the configuration of the vehicle.

OTHER CONSIDERATIONS:

Not applicable.

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:

Parks and Recreation, Animal Control, Health Administration, Street Operations, Wastewater Department, Fleet Maintenance Services, Water Department, Development Services and Engineering Services

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		\$1,062,456.98	\$1,035,179.20	\$2,097,636.18
Encumbered / Expended Amount		\$64,188.34	\$0.00	\$64,188.34
Purchase		\$416,532.28	\$0.00	\$416,532.28
Lease Purchase		0.00	\$1,035,179.20	\$1,035,179.20
BALANCE		0.00	0.00	0.00

Fund(s): General Fund, Streets Fund, Wastewater System Fund, Water Fund, Engineering Fund, & Maintenance Service Fund and Development Services

Comments:

Funding for the purchase of vehicles, in the amount of \$416,532.28, is available in the General Fund, Wastewater System Fund, Water Fund, Development Services Fund, and the Capital Outlay Budget of the Maintenance Service Fund for FY 2014-2015. Funding for the lease-purchase of vehicles is approved in the FY 2014-2015 budget. However, the vehicles will be delivered and paid for in FY 2015 -2016, therefore no funds are required in this fiscal year.

Funding is provided through the City's lease-purchase financing agreement for a sixty-month period. The estimated interest rate is 2.5%. The actual interest rate will be determined after acceptance of the equipment. The estimated annual payment is \$207,035.84. The total estimated cost over the sixty-month period, including principal of \$972,143.73 and interest of \$63,035.47, is \$1,035,179.20.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet

Justification Memo from Fleet Maintenance is attached.