



AGENDA MEMORANDUM

Future Item for the City Council Meeting of September 13, 2016
Action Item for the City Council Meeting September 20, 2016

DATE: September 13, 2016

TO: Margie C. Rose, City Manager

FROM: Jim Davis, Director of General Services
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Lease-Purchase of 11 Ford Escape Vehicles
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CAPTION:

Motion approving the lease-purchase of 11 Ford Escape vehicles from Caldwell Country Ford-Chevrolet, Caldwell, Texas for a total amount not to exceed \$236,374.15. The award is based on the cooperative purchasing agreement with Texas Local Government Purchasing Cooperative (TLGPC), dba BuyBoard.

Total Lease-Purchase Price:	\$221,511.00
Total Allowable Interest for Lease:	<u>\$14,863.15</u>
Grand Total:	\$236,374.15

PURPOSE:

This item is to approve the lease-purchase of 11 Ford Escape vehicles.

BACKGROUND AND FINDINGS:

These vehicles will be used by Code Enforcement Compliance Officers in the performance of their duties throughout the City and keep pace with efforts to continue to modernize the Code Enforcement Division fleet. The 11 Ford Escape vehicles will be replacement vehicles and will not increase the fleet. The equipment identified is the optimum choice for the tasks to be performed. The power configuration for these vehicles is not compatible with a CNG fuel application.

ALTERNATIVES:

N/A

OTHER CONSIDERATIONS:

Financing for the lease-purchase of the 11 Ford Escape vehicles is based on a sixty month term with an estimated interest rate of 2.50% for an annual payment of \$47,275. The total estimated cost over the five-year period, including principal of \$221,511.00 and interest of \$14,863.15, is \$236,374.15. A not to exceed tolerance of \$500.00 has been added to allow for the possible fluctuation of the interest rate.

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 Services and Police

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☒ Capital ☐ Not applicable

Fiscal Year: 2015-2016	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$52,500.00	\$236,374.15	\$288,874.15
Encumbered / Expended Amount		\$0.00	\$0.00	\$0.00
This item		\$0.00	\$236,374.15	\$236,374.15
BALANCE		\$52,500.00	\$0.00	\$52,500.00

Fund(s): General Fund – Code Enforcement

Comments:

Delivery of the trucks is scheduled during FY2016-2017. Payments will be requested in future years during the normal budget process.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet