



AGENDA MEMORANDUM

Future Item for the City Council Meeting of September 20, 2016
Action Item for the City Council Meeting September 27, 2016

DATE: September 20, 2016

TO: Margie C. Rose, City Manager

FROM: Jim Davis, Director of Fleet Operations
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Lease-Purchase of Two Truck Mounted Excavators

CAPTION:

Motion approving the lease-purchase of two Truck Mounted Excavators from Waukesha-Pearce Industries Inc., of Corpus Christi, Texas for a total amount not to exceed \$735,750.04. The award is based on the cooperative purchasing agreement with Texas Local Government Purchasing Cooperative (TLGPC), dba BuyBoard.

Total Lease-Purchase Price:	\$690,478.26
Total Allowable Interest for Lease:	<u>\$45,271.78</u>
Grand Total:	\$735,750.04

PURPOSE:

This item is to approve the lease-purchase of two Truck Mounted Excavators.

BACKGROUND AND FINDINGS:

The equipment will be utilized by the Storm Water Department to clean and maintain drainage ditches and basins. The specified equipment is optimal for its reach, maneuverability and ability to properly grade embankments. This equipment will replace older units and will not expand the fleet.

ALTERNATIVES:

The equipment identified is the optimum choice for the tasks to be performed.

OTHER CONSIDERATIONS:

Financing for the lease-purchase of the two Truck Mounted Excavators is based on a sixty month term with an estimated interest rate of 2.50% for an annual payment of \$147,150. The total estimated cost over the five-year period, including principal of \$690,478.26 and interest of \$45,271.78, is \$735,750.04. 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 Utilities

FINANCIAL IMPACT:

X Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2015-2016	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$10,660.00	\$735,750.04	\$746,410.04
Encumbered / Expended Amount		\$0.00	\$0.00	\$0.00
This item		\$0.00	\$735,750.04	\$735,750.04
BALANCE		\$10,660.00	\$0.00	\$10,660.00

Fund(s): Water

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