



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 General Services
jimd@cctexas.com
(361) 826-1909

Belinda Mercado, Director of Information Technology
bmercado@cctexas.com
(361) 826-3740

Maria Pedraza, Procurement Manager
mariape@cctexas.com
(361) 826-3176

Lease-Purchase of Two Aerial Bucket Trucks

CAPTION:

Motion approving the lease-purchase of two Aerial Bucket Trucks from Grande Truck Center, of San Antonio, Texas for a total amount not to exceed \$207,558.68. Each bucket truck will be equipped with a hydraulic boom, end mount basket and necessary safety equipment. The award is based on the cooperative purchasing agreement with Texas Local Government Purchasing Cooperative (TLGPC), dba BuyBoard. Funds will be budgeted by the Information Technology Department.

Total Lease-Purchase Price:	\$194,450.20
Total Allowable Interest for Lease:	<u>\$13,108.48</u>
Grand Total:	\$207,558.68

PURPOSE:

This item is to approve the lease-purchase of two Aerial Bucket Trucks for Information Technology Department.

BACKGROUND AND FINDINGS:

Currently, two Aerial Bucket Trucks equipped with hydraulic boom and safety bucket are utilized by the City Information Technology Department Infrastructure field crews to support maintenance and operations of the City Automated Meter Reading Systems, Video Surveillance Systems, Fiber Optic Aerial Cabling, Wireless Network Infrastructure, and Radio Communication Equipment. The addition of these two lease-purchase bucket trucks will serve as primary utility vehicles in support of the City Network, Public Safety, and City Aerial Services provided by the Information Technology Department. The two

units in current service will remain for adequate support of the network and may be utilized interchangeably as backup support during project based or emergency based services. This lease-purchase allows for an addition to the two bucket trucks that have been in service since 2005 and enables full utilization of staff resources for City IT support in aerial infrastructure. The equipment identified is the optimum choice for the tasks to be performed. The power configuration for these trucks is not compatible with a CNG fuel application.

ALTERNATIVES:

N/A

OTHER CONSIDERATIONS:

Financing for the lease-purchase of the two trucks is based on a sixty month term with an estimated interest rate of 2.50% for an annual estimated payment of \$41,412. The total estimated cost over the five-year period, including principal of \$194,450.20 and interest of \$13,108.48, is \$207,558.68. A not to exceed tolerance of \$500.00 has been added to the interest amount 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:

Information Technology

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		\$774,636.16	\$207,058.68	\$981,694.84
Encumbered / Expended Amount		\$355,889.05	\$0.00	\$355,889.05
This item		\$0.00	\$207,558.68	\$207,558.68
BALANCE		\$418,747.11	\$0.00	\$418,747.11

Fund(s): Municipal Information Services

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