



AGENDA MEMORANDUM

Future Item for the City Council Meeting of May 16, 2017
Action Item for the City Council Meeting of May 23, 2017

DATE: May 16, 2017

TO: Margie C. Rose, City Manager

FROM: Jim Davis, Director of Fleet Maintenance
jimd@cctexas.com
(361) 826-1909

Lawrence Mikolajczyk, Director of Solid Waste Operations
LawM@cctexas.com
(361) 826-1972

Kim Baker, Assistant Director of Financial Services-Purchasing Division
KimB2@cctexas.com
(361) 826-3169

<p>Lease-Purchase of One Peterbilt 348 Truck, with Roll-Off Chassis for the Solid Waste Operations Department</p>
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CAPTION:

Motion authorizing the City Manager, or designee, to lease-purchase one Peterbilt 348 truck, with a roll-off chassis from Rush Truck Centers of Texas, L.P., of Houston, Texas, based on the cooperative purchasing agreement with Houston-Galveston Area Council, for a total amount not-to-exceed \$207,042.07, with an estimated expenditure of \$6,901.40 in FY2016-2017.

PURPOSE:

This item is to approve the lease-purchase of one Peterbilt 348 truck with a roll-off trailer for the Solid Waste Operations Department.

BACKGROUND AND FINDINGS:

Roll-off trucks haul sludge from Wastewater plants to the Cefe Valenzuela Landfill on a daily basis. They are vital to wastewater needs in disposing of the sludge generated by the wastewater system. The truck will haul large containers which roll on and off its chassis via a cable hauling system. This roll-off truck is replacing an existing roll-off truck that is 10 years old with more than 14,000 hours.

ALTERNATIVES:

Not applicable.

OTHER CONSIDERATIONS:

Financing for the lease-purchase of the Peterbilt 348 truck with roll-off is based on a sixty-month term with an estimated interest rate of 3.50% for an annual estimated payment of \$41,408.41. The total estimated cost over the five-year period, including principal of \$189,685.00 and interest of \$17,357.07 is \$207,042.07. A not-to-exceed tolerance of \$1,000.00 has been added to the interest amount to allow for the possible fluctuation of the interest rate for a total not to exceed of \$207,042.07.

Total Lease-Purchase:	\$189,685.00
Total Allowable Interest for Lease:	<u>\$17,357.07</u>
Grand Total:	\$207,042.07

CONFORMITY TO CITY POLICY:

This lease-purchase conforms to the City's purchasing policies and procedures and State statutes regulating procurement.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Solid Waste Operations

FINANCIAL IMPACT:

X Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2016-2017	Current Year	Future Years	TOTALS
Line Item Budget	\$550,193.12	\$200,140.67	\$750,333.79
Encumbered / Expended Amount	\$481,172.10	\$0.00	\$481,172.10
This item	\$6,901.40	\$200,140.67	\$207,042.07
BALANCE	\$62,119.62	\$0.00	\$62,119.62

Fund(s): General

Comments: Delivery of the Peterbilt 348 roll-off truck is scheduled during FY2016-2017. The annual estimated payment for this lease-purchase is \$41,408.41 of which \$6,901.40 is budgeted in FY2016-2017 by the Solid Waste Operations Department for two months of payments. The remaining lease-purchase 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