



AGENDA MEMORANDUM

Future Item for the City Council Meeting of February 12, 2019
Action Item for the City Council Meeting February 19, 2019

DATE: February 12, 2019
TO: Keith Selman, Interim City Manager
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Lease Purchase of Vehicles for Police Department

CAPTION:

Motion authorizing the lease purchase of four Ford F-150 crew cab trucks from Silsbee Ford Inc. of Silsbee, Texas, plus two Nissan Rogue SUVs and three Altima sedans from Gunn Chevrolet Ltd of Selma, Texas for the Police Department for a total amount not to exceed \$219,991.30.

PURPOSE:

This item is to approve the lease purchase of nine vehicles for the Police Department.

BACKGROUND AND FINDINGS:

The Police Department has been renting vehicles from Enterprise for investigative operations since 2009. However, after an internal review of this practice, the department has determined that it is much more cost effective to lease purchase vehicles

Utilization of the BuyBoard cooperative provides competitive pricing for the City through competitive procurements that are in compliance with Texas local and state procurement requirements.

ALTERNATIVES:

Not applicable

OTHER CONSIDERATIONS:

Financing for the lease purchase of these vehicles is based on a sixty-month term with an estimated interest rate of 4.20% for an annual estimated payment of \$43,798.32. The total estimated cost over the five-year period, including principal of \$197,215.75 and interest of \$21,775.55, is \$218,991.30. 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 amount not to exceed.

Total Lease Purchase Price:	\$197,215.75
Total estimated allowable interest for Lease:	<u>\$ 22,775.55</u>
Grand Total:	\$219,991.30

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:

Police Department

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2018-2019	Current Year	Future Years	TOTALS
Line Item Budget	\$112,421.95	\$209,041.72	\$321,463.67
Encumbered / Expended Amount	\$39,079.15	\$0.00	\$39,079.15
This item	\$10,949.58	\$209,041.72	\$219,991.30
BALANCE	\$62,393.22	\$0.00	\$62,393.22

Fund(s): General Fund

Comments:

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Price List