



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting of January 21, 2020

**DATE:** January 21, 2020

**TO:** Peter Zaroni, City Manager

**FROM:** Bill Mahaffey, Director of Gas Operations  
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### **Lease Purchase of One Western Star Winch Truck for Gas Operations**

#### **CAPTION:**

Motion authorizing the lease-purchase of one Western Star winch truck, as a replacement unit for Gas Operations to be used to load heavy equipment onto trucks and/or trailers dispatched to job sites throughout the City, to be purchased from Grande Truck Center of San Antonio, Texas, for a total amount of \$175,051.93 through the BuyBoard Purchasing Cooperative, effective upon issuance of letter of acceptance, with FY 2020 funding in the amount of \$23,340.26 available through the Gas Fund.

#### **PURPOSE:**

This motion authorizes the lease-purchase one Western Star Winch truck for Gas Operations in support of the approved FY2020 Enhancement Package. The unit is a 33,000 lbs. truck with a 50,000 lbs. winch used to load heavy equipment onto trucks and/or trailers dispatched to job sites throughout the City. This equipment is a replacement unit to the fleet of a 25-year-old unit.

#### **BACKGROUND AND FINDINGS:**

Gas Operations has an operational need for one Western Star Winch truck, which will be used to load heavy equipment on to trucks and/or trailers dispatched to job sites throughout the City. The unit will be a replacement to the fleet for the approved FY 2020 Enhancement Package.

The procurement is through the BuyBoard Purchasing Cooperative. Contracts awarded through the cooperative have been competitively procured and follow Texas Local and State procurement requirements.

## **ALTERNATIVES:**

An alternative is not to lease-purchase this equipment. This would result in less in-house capability to execute maintenance and emergency response work, therefore creating a loss of service to City customers.

## **FISCAL IMPACT:**

The fiscal impact for Gas Operations in FY 2020 is an estimated amount of \$23,340.26. The remaining balance will be budgeted in future years through the annual budget process. Financing for the lease purchase of the Western Star Winch truck is based on a sixty-month term with an estimated interest rate of 3.00% for an annual estimated payment of \$34,310.44. The total estimated cost over the five-year period, including principal of \$161,440.00 and interest of \$13,611.93 is \$175,051.93. 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.

Total Lease-Purchase Price:	\$175,051.93
Total estimated allowable interest for Lease:	<u>\$ 13,611.93</u>
Grand Total:	\$175,051.93

## **FUNDING DETAIL:**

Fund:	4130 Gas Fund
Organization/Activity:	34130 Gas Construction
Mission Element:	022 Maintain the fleet
Project # (CIP Only):	N/A
Account:	530190 Lease-Purchase Payments

## **RECOMMENDATION:**

Staff recommends approval of this motion authorizing the lease-purchase of one Western Star Winch truck from Grande Truck Center as presented.

## **LIST OF SUPPORTING DOCUMENTS:**

Price Sheet