



AGENDA MEMORANDUM

Action Item for the City Council Meeting of September 15, 2020

DATE: September 15, 2020

TO: Peter Zaroni, City Manager

FROM: Richard Martinez, Director of Public Works
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Lease-Purchase of One Curb Machine for Public Works

CAPTION:

Motion authorizing a lease-purchase of one Gomaco GT3200 curb machine from Closner Equipment Company, Inc., for a total amount of \$248,990.25 to be utilized by the Public Works Department in support of the City's street maintenance and repairs as an addition to the fleet, to be purchased on or after October 1, 2020, with funding requested in the FY 2021 Proposed Budget.

SUMMARY:

This motion is to authorize the lease-purchase of one Gomaco GT3200 curb machine for the Public Works Department through the BuyBoard Cooperative. This equipment will be used in support of City street maintenance and repairs. This unit will be an addition to the fleet.

BACKGROUND AND FINDINGS:

Public Works has an operational need for one curb machine, which will be utilized by in-house crews in support of the City's street maintenance and repairs. This unit will be an addition to the fleet.

This purchase is through the BuyBoard Cooperative. Contracts awarded through the BuyBoard Cooperative have been competitively procured in compliance with Texas local and state procurement requirements. The percentage of savings on the BuyBoard Cooperative quote is 5% less than list price. In view of these savings through the BuyBoard Cooperative, it is the recommended method of purchase for the City.

ALTERNATIVES:

An alternative would be not to purchase this equipment for in-house use and secure an agreement to contract this type of service which would be much more expensive. This would result in a delay in construction work related to street maintenance; therefore, creating a loss of productivity.

FISCAL IMPACT:

There will be no fiscal impact for Public Works in FY 2020 for the lease-purchase of this curb machine. The item will be budgeted in future years through the annual budget process.

Financing for the lease-purchase of one curb machine is based on a sixty-month term with an estimated interest rate of 2.00% for an annual estimated payment of \$49,798.05. The total estimated cost over the five-year period, including principal of \$236,758.00 and interest of \$12,232.25 is \$248,990.25.

Total Lease-Purchase Price:	\$236,758.00
Total estimated allowable interest for Lease:	<u>\$ 12,232.25</u>
Grand Total:	\$248,990.25

FUNDING DETAIL:

Fund:	1041 Streets Fund
Organization/Activity:	12430 Surface Preservation
Mission Element:	051 Maintain Pavement & Associated Improvements
Project # (CIP Only):	N/A
Account:	530190 Lease-Purchase

RECOMMENDATION:

Staff recommends approval of this lease-purchase with Closner Equipment for one curb machine as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet