



AGENDA MEMORANDUM

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

DATE: September 15, 2020

TO: Peter Zanoni, City Manager

FROM: Richard Martinez, Director of Public Works
RichardM5@cctexas.com
(361) 826-3419

Kim Baker, Director of Contracts and Procurement
KimB2@cctexas.com
(361) 826-3169

Lease-Purchase of One Asphalt Paver for Public Works

CAPTION:

Motion authorizing a lease-purchase of one Cat AP300F asphalt paver from HOLT Texas, Ltd., dba HOLT CAT, in an amount of \$196,228.87 to be utilized by Public Works as an addition to the fleet in support of the City's street maintenance and repairs, to be purchased on or after October 1, 2020, with funding requested in the FY 2021 Proposed Budget through the Streets Fund.

SUMMARY:

This motion is to authorize the lease-purchase of one Cat AP300F asphalt paver for Public Works through the BuyBoard Cooperative. This equipment will be used in support of the City's street maintenance and repairs, as an addition to the fleet.

BACKGROUND AND FINDINGS:

Public Works has an operational need for one asphalt paver, 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 procurement is through the Buyboard Cooperative. The 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 8% less than list price. In view of these savings through the BuyBoard Cooperative, it is the recommended method of purchase for the City. Funding has been requested in the FY 2021 Proposed Budget.

ALTERNATIVES:

An alternative not to lease-purchase this equipment would be 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 one asphalt paver. The remaining balance will be budgeted in future years through the annual budget process.

Financing for the lease-purchase of one asphalt paver is based on a sixty-month term with an estimated interest rate of 2.00% for an annual estimated payment of \$39,245.77. The total estimated cost over the five-year period, including principal of \$186,588.65 and interest of \$9,640.22 is \$196,228.87.

Total Lease-Purchase Price:	\$186,588.65
Total estimated allowable interest for Lease:	<u>\$ 9,640.22</u>
Grand Total:	\$196,228.87

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 Holt Cat for one asphalt paver as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet