



AGENDA MEMORANDUM

Action Item for the City Council Meeting September 15, 2020

DATE: September 15, 2020

TO: Peter Zaroni, City Manager

FROM: David S. Lehfeldt, Director of Solid Waste Services
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Lease-Purchase of One Tractor Truck and One Roll-Off Truck

CAPTION:

Motion authorizing replacement lease-purchases of one tractor truck and one roll-off truck from Lone Star Truck Company for a total amount of \$357,664.11. The tractor truck will be utilized by Solid Waste Services to haul refuse from the J.C. Elliot Transfer Station to the Cefe Valenzuela landfill. The roll-off truck will be used to haul sludge containers from the Wastewater Plants to the Cefe Valenzuela landfill. Both units are to be purchased on or after October 1, 2020, with funding requested in the FY 2021 Proposed Budget through the General Fund.

SUMMARY:

This motion will authorize a lease-purchase of one tractor truck and one roll-off truck through the BuyBoard Cooperative. The trucks will be utilized by Solid Waste Services to haul refuse and sludge from the J.C. Elliot Transfer Station or Wastewater Plants to the Cefe Valenzuela landfill. These items are replacements to the fleet.

BACKGROUND AND FINDINGS:

Solid Waste Services currently has a need for one tractor truck and one roll-off truck. The tractor truck will be used to pull a transfer trailer that hauls refuse from the J.C. Elliot transfer station to the Cefe Valenzuela landfill. This unit is a replacement unit. The Tractor Truck being replaced is beyond its service life of 10 years, or 10,000 Hrs. It is 10 years old with 15,208 hours.

The roll-off truck will be used to haul sludge containers from Wastewater Plants to the Cefe Valenzuela landfill. This unit is a replacement unit. The roll-off truck being replaced was involved in an auto accident and declared a total loss.

Depending on manufacturing and production schedules, it typically take six to nine months to receive these vehicles from the date of order. Funding has been requested in the FY 2021 Proposed Budget.

The procurement 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 is 41.2% less than the manufacturer's suggested retail price (MSRP). In view of these savings through the BuyBoard Cooperative, it is the recommended method of purchase for the City.

ALTERNATIVES:

An alternative is to do without the roll-off truck and continue using the older tractor truck, struggling to meet mission requirements due to the increasing age, and increased maintenance requirements.

FISCAL IMPACT:

There will be no fiscal impact for Solid Waste Services FY 2020 for the lease-purchase of one tractor truck and one roll-off truck. The remaining balance will be budgeted in future years through the annual budget process.

Financing for the lease-purchase of one tractor truck and one roll-off truck is based on a sixty-month term with an estimated interest rate of 2.00% for an annual estimated payment of \$71,532.82. The total estimated cost over the five-year period, including principal of \$340,093.00 and interest of \$17,571.11 is \$357,664.11.

Total Lease-Purchase Price:	\$340,093.00
Total estimated allowable interest for Lease:	\$ <u>17,571.11</u>
Grand Total:	\$357,664.11

FUNDING DETAIL:

Fund:	1020 General Fund
Organization/Activity:	12504 JC Elliott Transfer Station
Mission Element:	031 Waste & Brush Collection
Project # (CIP Only):	N/A
Account:	530190 Lease-Purchase
Cost:	\$143,141.15

Fund:	1020 General Fund
Organization/Activity:	12514 Compliance
Mission Element	031 Waste & Brush Collection
Project # (CIP Only):	N/A
Account:530190	Lease-Purchase
Cost:	\$214,522.96

RECOMMENDATION:

Staff recommends approval of this motion authorizing the lease-purchase of one tractor truck and one roll-off truck from Lone Star Truck Company as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet