



AGENDA MEMORANDUM

Action Item for the City Council Meeting March 2, 2021

DATE: February 23, 2021

TO: Peter Zaroni, City Manager

FROM: David S. Lehfeldt, Director of Solid Waste Services
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Lease-Purchase of One Self-Loading Brush Truck for Solid Waste

CAPTION:

Motion authorizing the lease-purchase of one self-loading brush truck from Houston Freightliner, Inc., dba Houston Freightliner & Western Star of Houston, Texas for a total amount of \$191,084.49 to be used by Solid Waste Operations, effective upon issuance of letter of acceptance with FY 2021 funding in the amount of \$6,369.48 available through the General Fund.

SUMMARY:

This motion will authorize the lease-purchase of one self-loading brush truck to be used by Solid Waste Operations throughout the city for brush daily pick-ups. This unit is being purchased through the HGAC-Buy Cooperative and is a replacement to the existing fleet.

BACKGROUND AND FINDINGS:

Solid Waste currently has a requirement for the lease purchase of one self-loading brush truck. This unit will be used to collect brush and bulky items in violation of the City's scheduled set out dates. This unit will be a replacement unit. The self-loading brush truck being replaced is beyond its service life of 8 years, or 8,400 Hrs. It is 9 years old with 11,676 hours.

This procurement is through the HGAC-Buy Cooperative. Contracts awarded through the HGAC-Buy Cooperative have been competitively procured in compliance with Texas Local and State procurement requirements. The percentage of savings on the HGAC-

Buy Cooperative is 23% less than list price. In view of these savings through the HGAC Buy Cooperative, it is the recommended method of purchase for the City.

ALTERNATIVES:

An alternative is to continue using the older brush truck which will require frequent maintenance causing out of service time while it is being repaired.

FISCAL IMPACT:

The fiscal impact for FY 2021 is estimated at \$6,369.48 available through the General Fund. Financing for the lease-purchase of the Self - Loading Brush Truck is based on a sixty-month term with an estimated interest rate of 2.00% for an annual estimated payment of \$38,216.88. The total estimated cost over the five-year period, including principal of \$181,697.00 and interest of \$9,387.49 is \$191,084.49.

Total Lease-Purchase Price:	\$181,697.00
Total estimated allowable interest for Lease:	<u>\$ 9,387.49</u>
Grand Total:	\$191,084.49

FUNDING DETAIL:

Fund:	1020	General Fund
Organization/Activity:	12511	Brush Collection
Mission Element:	031	Waste & Brush Collection
Project # (CIP Only):	N/A	
Account:	530190	Lease-Purchase

RECOMMENDATION:

Staff recommends approval of this motion authorizing the lease-purchase of one self-loading brush truck for Solid Waste Operations with Houston Freightliner, Inc., dba Houston Freightliner & Western Star as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet