



AGENDA MEMORANDUM

Action Item for the City Council Meeting of April 13, 2021

DATE: April 13, 2021

TO: Peter Zaroni, City Manager

FROM: Kevin Norton, Director of Water Utilities
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Lease Purchase of One Vactor Truck for Utilities

CAPTION:

Motion authorizing the lease-purchase, via JPMorgan, of one vactor truck from Houston Freightliner, Inc., of Houston, Texas, for a total amount of \$463,115.06, in support of the approved FY2021 Enhancement Package for a new Wastewater Treatment crew in the Utilities Department to improve wastewater treatment and lift station infrastructure maintenance, with first-year funding in the amount of \$23,155.74 available from FY 2021 Wastewater Fund.

SUMMARY:

This item is to approve the lease-purchase of one vactor truck for the Wastewater Division of the Utilities Department to clean wastewater treatment plants, lift stations, and any wastewater spills. During extended power outages, this vactor truck will also be used to transport sewage from inoperable lift stations to treatment plants to prevent sanitary sewer overflows.

BACKGROUND AND FINDINGS:

The Wastewater Treatment group has been using a contract valued at \$300,000 per year for sludge cleaning at the treatment plants and lift stations, but the required cleaning work exceeds what this contract amount covers. The normal maintenance of wastewater treatment plants and lift stations includes routine cleaning by using a vactor truck and an experienced crew. Clarifiers, disinfection chambers, scum boxes, digesters, pre-post thickeners, aeration basins, filter basins, and headworks all need cleaning. Cleaning of lift station wet-wells, line-cleaning within the wastewater treatment plant areas, and spill cleanup are also needed.

Creating a Wastewater Treatment sludge cleaning crew with this vactor truck will improve and standardize the cleaning maintenance operations at a lower cost than using a contractor. Routine cleaning of the critical units in the City's wastewater treatment plants will improve the service life of equipment and treatment efficiency, which will also achieve operational cost savings.

CONTRACTS AND PROCUREMENTS

This 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.

ALTERNATIVES:

The City continues using external contractors to provide this service.

FISCAL IMPACT:

Financing for the lease-purchase of the vactor truck is based on a sixty-month term with an estimated interest rate of 2.5% for an annual estimated payment of \$92,622.96. The total estimated cost over the five-year period, including principal of \$ 434,914.47 and interest of \$28,200.59 is \$463,115.06.

Total Lease-purchase price:	\$ 434,914.47
Total estimated allowable interest for Lease:	<u>\$ 28,200.59</u>
Grand Total	\$ 463,115.06

FUNDING DETAIL:

Fund:	4200	Wastewater Fund
Organization/Activity:	33410	Wastewater Collections - Major Maintenance and Repair
Mission Element:	042	Wastewater collection system
Project # (CIP Only):		
Account:	530190	Lease purchase payments

RECOMMENDATION:

Staff recommends approval of this motion authorizing the lease-purchase of vactor truck as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet