



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting May 11, 2021

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**DATE:** May 11, 2021

**TO:** Peter Zanoni, City Manager

**FROM:** David S. Lehfeldt, Director of Solid Waste  
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<b>Lease-Purchase of One Tractor Truck</b>
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### **CAPTION:**

Motion authorizing the lease-purchase of one tractor truck, via JP Morgan, from Lonestar Freightliner Group, LLC, of Grapevine, Texas, for a total amount of \$141,956.98 to replace a truck used by Solid Waste, effective upon issuance of letter of acceptance with FY 2021 funding in the amount of \$9,463.80 available through the General Fund and the remaining lease payments to commence in the FY 2022 through FY 2027.

### **SUMMARY:**

This motion authorizes the replacement lease-purchase of one tractor truck for a total of \$141,956.98 to be utilized by Solid Waste Operations.

### **BACKGROUND AND FINDINGS:**

Solid Waste currently has a requirement for the lease purchase of one Tractor Truck. This unit will be used to pull a transfer trailer that hauls refuse from the J.C. Elliot transfer station to the Cefe Valenzuela landfill. This will be a replacement unit. The tractor truck being replaced has had significant downtime since it's purchase in 2015, harming production of operations at the transfer station. The unit currently has over 7,500 hours and a long-term maintenance cost exceeding \$90,000.

### **PROCUREMENT DETAIL:**

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. The percentage of savings on the BuyBoard Cooperative is 41% less than MSRP. In view of the savings through the BuyBoard Cooperative, it is the recommended method of purchase for the City.

### **ALTERNATIVES:**

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

### **FISCAL IMPACT:**

The fiscal impact for Solid Waste Operations in FY 2021 is estimated at \$9,463.80 available through the General Fund. The remaining cost will be budgeted through the annual budget process.

Financing for the lease-purchase of one tractor truck is based on a sixty-month term with an estimated interest rate of 2.00% for an annual estimated payment of \$28,391.40. The total estimated cost over the five-year period, including principal of \$134,983.00 and interest of \$6,973.98 is \$141,956.98.

Total Lease-Purchase Price:	\$134,983.00
Total estimated allowable interest for Lease:	<u>\$ 6,973.98</u>
Grand Total:	\$141,956.98

### **FUNDING DETAIL:**

Fund:	1020
Organization/Activity:	12504
Mission Element:	033
Project # (CIP Only):	
Account:	530190

### **RECOMMENDATION:**

Staff recommends approval of this motion authorizing the lease-purchase of one tractor truck from Lonestar Freightliner Group, as presented.

### **LIST OF SUPPORTING DOCUMENTS:**

Price Sheet  
Picture of vehicle