



AGENDA ITEM REVIEW FORM

Special City Council Meeting

3.C.

Meeting Date: 09/25/2023
Department Head: Eulogio Vera, Director of Public Works, Public Works Department
Submitted By: Manuel Hernandez, Project Manager, Public Works Department
Action Requested: Motion

ITEM:
Discussion and possible action on any and all matters regarding a 12-month lease agreement on a 2024 Peterbilt Solid Waste Side Loader Truck with Rush Refuse Systems. **(Manuel Hernandez, Acting Assistant Director of Public Works)**

SUMMARY:
The Department of Public Works and its Solid Waste Division are seeking the Mayor and City Council's approval of a 12-month lease agreement on a new 2024 Peterbilt Solid Waste Side Loader Truck with Rush Refuse Systems. The monthly lease total is \$8,400.00 for a minimum term of 12 months (\$100,800.00 for 12 months). Rush Refuse Systems is offering the option to purchase this vehicle after the 12-month lease. Additionally, 50% of the lease would be applied as a credit (\$50,400.00) towards the purchase if the City of San Luis opts to purchase this vehicle.

New solid waste trucks are difficult to source. Public Works was offered this vehicle due to our good-standing relationship with the vendor. Public Works is currently leasing a 2023 Side Loader with Rush Refuse Systems that was approved on May 31, 2023. As per our Fleet Services and Solid Waste Division, they are having good experience with Rush Refuse System's service and the vehicle. Public Works is also requesting authorization from the Mayor and City Council to waive the formal procurement procedures as authorized under Section 3.05.010 (F) *Procedures Waived* of the City Code.

The City Attorney notes that the lease is heavily weighted in favor of the vendor. However, given the long delays in obtaining these specialized trucks and the trucks out of commission with repairs, and it is for a new 2023 truck from a manufacturer (Peterbilt) with a good reputation, and the proposal has a promise for separate component warranties. The City Attorney supports staff in its calculation of the benefits outweighing the risks.

RECOMMENDATION / SUGGESTED MOTION:
I MOVE TO APPROVE A 12-MONTH LEASE AGREEMENT ON A 2024 PETERBILT SOLID WASTE SIDE LOADER TRUCK, NOT TO EXCEED \$100,800.00, AND TO WAIVE FORMAL PROCUREMENT PROCEDURES.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM: Yes
CITY/STATE/FEDERAL FUNDS: City
TOTAL: \$100,800.00 over the course of 12 months or \$8,400.00 monthly
BUDGETED AMOUNT: \$120,610.31
AVAILABLE AMOUNT TO TRANSFER: \$120,610.31
ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: Lease Payments - Principal & Interest #320-321-80015/ \$120,610.31
FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):
N/A

Attachments

Lease Purchase Proposal - City of San Luis, AZ - VIN 115823 and Unit# 955-1776 - 8-30-2023
Master Lease Agreement and Schedule B