



**REPORT TO: TRUSTEES**

**MEETING DATE: OCTOBER 3, 2022**

<b>Agenda Item:</b>	5a. SUA-22-53
<b>Issue:</b>	<ul style="list-style-type: none"> <li>• Waste Management operates under a buy-back agreement with Carolina Environmental Systems, Inc. for residential refuse vehicles and roll-off refuse vehicles.</li> <li>• The agreement provides for an option to sell the trucks at established prices provided that the vehicle meets the vendor’s terms and conditions at the end of the 36 month warranty period.</li> </ul>
<b>Solution:</b>	<ul style="list-style-type: none"> <li>• 7 residential vehicles and 1 roll-off vehicle are approaching the 36-month time period. After conducting an extensive cost analysis, it is recommended to replace these 8 vehicles.</li> <li>• The proposed new residential vehicles and roll off vehicle have a complete 3 year warranty, which reduces repair costs and down time.</li> <li>• The quote submitted to Oklahoma State Purchasing, Contract SW197 by United Engines meets all the critical vehicle specifications.</li> </ul>
<b>Financial Impact/Funding Source(s):</b>	<ul style="list-style-type: none"> <li>• Purchase of the equipment under the master equipment Lease/Purchase Agreement with Bank America sets annual payments of principal and interest of approximately \$740,000 for 5 years with the option of early payoff in 3 years.</li> <li>• The Waste Management Fund is projected to have adequate funding available for the lease payments.</li> </ul>
<b>Strategic Plan Alignment:</b>	#1 Effective Services and Accountable Government: To provide effective services and accountable government for all citizens by practicing fiscal responsibility, transparency and outstanding customer service.
<b>Recommended Action/Motion:</b>	Motion to authorize the purchase of 8 new waste management vehicles to replace 8 used vehicles as follows:

- lease/purchase of 7 new residential refuse vehicles and 1 new roll-off refuse vehicle from United Engines off of Oklahoma State Purchasing Contract SW197 at an initial purchase amount of \$3,495,000;
- enter into a buy-back agreement with United Engines for the option to sell the 8 new vehicles after 3 years;
- exercise the buy-back option for the 7 used residential vehicles and 1 used roll off vehicle and apply the funds received from the buy-back option to pay off the remaining balance of approximately \$848,238 to Bank of America; and  
authorize the General Manager to sign related documents.

<b>Prepared By:</b>	Matt Faulkner, Waste Management Director
<b>Reviewed By:</b>	Melissa Reames, Deputy City Manager Patti Osmus, Assistant to City Manager
<b>Submitted By:</b>	Norman McNickle, General Manager
<b>Attachment(s):</b>	Quotes