



## MEMORANDUM

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April 5, 2010

**TO:** Board of Mayor and Aldermen  
**FROM:** City Administrator Eric S. Stuckey  
Assistant City Administrator Russ Truell  
**SUBJECT:** Mini Packers for Blue Bag Program

### **Purpose**

The purpose of this memorandum is to provide the Board of Mayor and Aldermen (BOMA) with information to consider the purchase of three mini-packers for the upcoming Blue Bag Curbside Recycling Program.

### **Background**

In order to be properly equipped to begin the Blue Bag recycling program in July of this year as scheduled, it is necessary to initiate the purchase of vehicles now. Solid Waste staff has identified three used or "demo" vehicles that are perfectly suited for the program. The used vehicles average a twenty percent reduction in price compared to new vehicles. Purchase of used vehicles are permissible under State law\* under certain conditions, all of which are met by the used vehicles in question.

### **Financial Impact**

Total cost of the vehicles would be approximately \$240,000. A master equipment lease, approved by the Board of Mayor & Aldermen in November of last year, has some remaining capacity that could be used for the mini packers. This would involve a commitment to pay \$60,000 per year for five years instead of outright purchase.

### **Options**

Approve the purchase of used vehicles and include lease payments in the FY2011 budget; approve the purchase of used vehicles and amend the current budget for outright purchase; approve the purchase of new vehicles, which will require a normal sealed bid process.

### **Recommendation**

Staff recommends approving the purchase using the leasing arrangement.



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\*TCA 12-3-1003(b) reads as follows:

Notwithstanding any charter, private act, or general law requirements, any municipality or any county may purchase used or secondhand articles consisting of goods, equipment, materials, supplies, or commodities from any private individual or entity without public advertisement and competitive bidding as long as the purchasing government documents the general range of value of the purchased item through a listing in a nationally recognized publication or through an appraisal by a licensed appraiser, and the price paid falls within ten percent (10%) of the documented range.