

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Budget Amendment for the Procurement of One (1) Caterpillar Motor Grader

ORIGINATING DEPARTMENT

Finance/Public Works - Street Division

BACKGROUND INFORMATION

Since 2002, the City of Killeen has been involved in procuring a motor grader with a guaranteed repurchase price at the end of every three (3) years. In October 2008 and May 2012 (CCM/R 11-189R), City Council approved the motor grader purchase, utilizing the same repurchase program through Holt Cat with the initial option for the repurchase still being available.

This heavy equipment is used by the Street Services Division for many street utility and maintenance programs.

DISCUSSION/CONCLUSION

The City of Killeen is a member of six (6) purchasing cooperatives that are in compliance with Texas Local Government Code Section 271.102. The "Guaranteed Repurchase Program" with Holt Cat can be utilized through the TASB Buy-Board Purchasing Cooperative.

Bid	Holt Cat
Purchase Price (Includes Extended Warranty)	\$266,057
Trade-In Allowance	(220,000)
Net Purchase Price	\$46,057
Guaranteed Repurchase Price*	\$225,000 - \$250,000

*Price will be based upon the hours of operation within the three- (3) year period.

FISCAL IMPACT

Additional funds are needed to cover the purchase of the procurement of one (1) caterpillar motor G\grader through TASB Buy-Board. This budget amendment will increase the Streets Department expenditure account by \$220,000 and also increase the sale of city property revenue account by \$220,000.

Expenditures:

Account Number	Original Budget	Budget Increase	Amended Budget
010-3445-434.61-35	\$46,057	\$220,000	\$266,057

Revenues:

Account Number	Original Budget	Budget Increase	Amended Budget
010-0000-363-99-30	\$0	\$220,000	\$220,000

RECOMMENDATION

Staff recommends that City Council approve the attached ordinance amending the FY 2015 Annual Budget and Plan of Municipal Services increasing General Fund revenues and expenditures by \$220,000.