



# CITY OF LODI

PUBLIC WORKS DEPARTMENT

## COUNCIL COMMUNICATION

### PROJECT DATA

TO: City Council Originally Budgeted: 1989-90  
 Budgeted Fund: 10-503.07

FROM: City Manager Amount Budgeted: \$20,000  
 1989-1990 Cost: \$19,800

MEETING DATE: December 6, 1989

**AGENDA TITLE:** Lease/Purchase Agreement for New Street Sweeper

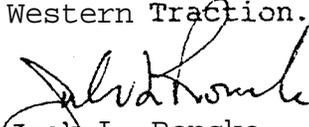
**RECOMMENDED ACTION:** That the City Council approve and authorize the City Manager and City Clerk to execute a three year lease/purchase agreement for a 1589 FMC Three-wheel High Dump Sweeper with Western Traction of Union city, California.

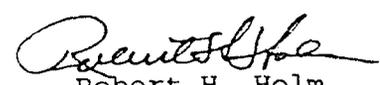
**BACKGROUND INFORMATION:** In the 1989/90 budget, the lease/purchase of a three-wheel sweeper was approved at an estimated cost of \$20,000. per year over a period of five years. The new sweeper will replace the Street Division's two existing 1970 and 1976 three-wheel sweepers.

During the past month, lease/purchase quotes were received from three-wheel sweeper dealers on the West Coast. These were Ricker Machinery, Oakland, California which sells Elgin Sweepers and Western Traction Company, Union City, California which sells FMC Sweepers. Following are base costs including tax.

<u>NAME OF BIDDER</u>	<u>TOTAL BID</u>
Western Traction	\$79,581.25
Ricker Machinery	\$88,520.00

The Finance Department has determined that a three year lease would be more advantageous to the City than a five year lease based on the current interest rate. Based on a three year lease/purchase agreement with Western Traction, the total aggregate cost would be \$89,098.92 with the first and last month payments (\$2,474.97 per month) due upon delivery. Therefore, both the Finance and Public Works Departments recommend the lease/purchase of the Three-whoel High Dump Sweeper with Western Traction.

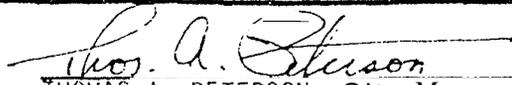
  
 Jack L. Ronsko  
 Public Wcrks Director

  
 Robert H. Holm  
 Finance Director

JLR/GB/sh

cc: Purchasing Officer  
street Superintendent

APPROVED:

  
 THOMAS A. PETERSON, City Manager

FILE NO.