

## **MEMORANDUM**

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**DATE:** April 1, 2020

**TO:** Honorable Mayor and City Commissioners

**VIA:** Kenneth Fields, City Manager

**FROM:** Teresa Allen, Public/Support Services Director

**REGARDING:** Lease Agreement with Mears Motor Leasing/The Bancorp

**SYNOPSIS:** The City Commission will consider authorizing staff to lease one (1) 2020 Massey Ferguson tractor under the existing master lease agreement with Mears Motor Leasing/The Bancorp.

### **RECOMMENDATION**

1. Authorize the use of OMNIA Partners/Cobb County, GA's competitively bid cooperative agreement #17-6221: "Tractors, Implements, and Related Parts and Services" with AGCO Corp. (Massey Ferguson), distributed through Grove Equipment Services.
2. Approve the sixty (60) month lease of the tractor on the attached schedule from Mears Motor Leasing/The Bancorp.
3. Authorize the City Manager to execute the necessary documents on behalf of the city.

### **BACKGROUND**

The FY19/20 Airport capital budget includes funding of \$99,000.00 for a tractor.

If the City were to purchase the tractor outright, the total purchase price would be \$98,037.00. Under the Mears Motor Leasing/The Bancorp agreement, this tractor can be financed at an annual cost of \$21,850.32, compared to a current year decrease in cash flow of \$98,037.00.

Section §2-403 of the City's purchasing ordinance allows the City to utilize competitively bid cooperative purchasing agreements. Cooperative agreements allow the City to capitalize on national economies of scale, while reducing administrative costs and the timeline for acquisitions.

### **OTHER OPTIONS**

The City Commission may choose to purchase the tractor outright, which would result in a current year decrease of cash flow of \$98,037.00.

Solicit for competitive sealed bids in lieu of utilizing the competitively bid cooperative agreement.

### **FISCAL IMPACT**

If the City Commission approves the lease agreement, the City is committed to a yearly lease payment of \$26,850.32. If revenues are sufficient in future years, an option would be to return the tractor under the non-appropriation of funds clause. If it becomes necessary to exercise this option, however, the City would lose the tractor.

### **ATTACHMENTS**

Proposal from Grove Equipment Service.

Mears Motor Leasing/The Bancorp equipment schedule.