



Legislation Text

File #: Res. 2018-138R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2018-138R, approving a contract with Enterprise Fleet Management, Inc. through the Interlocal Purchasing System, TIPS, for the lease of thirty-one light vehicles and the purchase miscellaneous equipment for maintenance in the estimated amount of \$1,270,000.00; authorizing the City Manager or his designee to execute the appropriate documents on behalf of the City; and declaring an effective date.

Meeting date: August 7, 2018

Department: Finance Department - Heather Hurlbert, Director

Funds Required: Total \$1,270,000 FY18-\$390,000

Account Number: CAPL-GENERALN-VEHICLE, 20006301.52112, 21006322.52112, 22006335.52112

Funds Available: \$390,000

Account Name: Vehicle/Equipment Finance Payments, City Fleet Leasing

CITY COUNCIL GOAL:

#7-Maintain Fiscal Responsibility

#8-Provide for the efficient and effective delivery of services

COMPREHENSIVE PLAN ELEMENT(s): *[add the Plan elements and Goal # and Objective(s)]*

BACKGROUND:

In 2014, the City began participating in a Fleet Management contract with Enterprise Fleet Management, Inc., through the Interlocal Purchasing System, TIPS, for the leasing of CID vehicles. Enterprise presented a citywide fleet management proposal to staff after the successful leasing of the CID vehicles. The City has over one hundred fifty (150) light vehicles in the general fund and enterprise funds fleet and has faced budgetary challenges in replacing the vehicles according to the adopted replacement schedules.

Through the Fleet Management program with Enterprise, light vehicles are directly bought from the manufacturer at government pricing or better with all applicable rebates applied. A leasing factor is applied to the purchasing price and annual lease payments are set. The City will buy any aftermarket equipment and this equipment will not be included in the recurring annual lease amount but is included in the contracted amount with Enterprise. The vehicles will be replaced on a five year schedule. At the conclusion of the lease, the vehicles are sold on the open market and the equity is rolled into the next five year lease. All maintenance is

included in the annual lease payment with the exception of tires and Enterprise will contract with local vendors for these services. By moving the routine maintenance out of the City shop, mechanics will be able to work on larger equipment repairs that are routinely outsourced. Bringing these repairs in-house will save money on the large fleet and equipment repair.

This contract is brought to City Council each year for the approval of the annual vehicle allocation and contract increase. For FY18, the City will lease thirty-one (31) vehicles from Enterprise Fleet Management, Inc., with estimated annual lease payments in the amount of \$220,000 per year, the purchase of equipment the first year estimated at \$170,000 totaling an estimated \$1,270,000 for the five (5) year period. The thirty-one (31) vehicles are to be distributed as follows:

- Water/Wastewater Utility-9
- Electric Utility-1
- Drainage Utility-1
- CVB-1
- General Fund-19