

**CITY OF HOLLYWOOD, FLORIDA
DEPARTMENT OF PUBLIC WORKS
INTER-OFFICE MEMORANDUM**

DATE: March 7, 2018 **FILE:** PW-18-017

TO: Paul Bassar
Contracts Compliance Manager, Office of the City Manager

VIA: Sylvia Glazer 
Director, Public Works

VIA: Joel Wall 
Fleet Superintendent, Public Works

FROM: Charles W. Lassiter 
Assistant Director, Public Works

SUBJECT: Enterprise Equity Lease Agreement Pilot Program

ISSUE:

The Department of Public Works seeks approval to continue to utilize the Enterprise Equity Lease Agreement for Code Enforcement vehicles for an additional 14 month term.

EXPLANATION:

In February of 2017, the Department of Public Works entered into an open end vehicle agreement for two, seven months terms. This 14 month agreement provided a total of 32, 2017 GMC Sierra 1500 4x2 double cab pickup trucks. Enterprise provided 16 vehicles in two, seven months increments.

The total cost for the first allocation of 16 vehicles, including lease payments, magnetic LED light bars, magnetic labels, vehicle numbering, window tinting, title fees and municipal tags was \$59,677.04. The light bars, magnetic labels, and tags were transferable to the next allocation and will be available for future allocations, see the table below.

Monthly Payment	No. of Months	Number of Vehicles	Lease Term Cost
\$ 446.00	7	16	\$ 49,952.00
		Light bars	\$ 5,384.96
		Magnetic Labels	\$ 1,600.00
		Tinting	\$ 320.00
		Numbering	\$ 1,760.00
		Tags	\$ 660.08
		Grand Total	\$ 59,677.04

The vehicles were not immediately returned to Enterprise at the end of the first seven month term, because they were utilized in response to Hurricane Irma; one was damaged as a result of the storm. When all 16 were returned, they were subsequently sold, even the damaged vehicle, and the City received an equity payment from Enterprise in the amount of \$72,208.19. The second allocation of 16 vehicles are scheduled to be returned to Enterprise on April 30th 2018, ending the 14 month pilot program. Enterprise projects the re-sale of the second allocation of 16 vehicles to result in a similar re-sale value and equity payment as the first allocation of 16 vehicles.

In summary, the revenue received to the City from Enterprise as an equity payment that resulted from the sale of the first allocation of 16 vehicles was greater than the expense of the first seven months of the lease agreement, including equipment and outfitting costs for those same 16 vehicles.

At this time, it is recommended to continue this pilot program for one additional 14 month cycle; which are two, seven month terms, a total of 34, 2018 GMC Sierra 1500 4x2 Double Cab pickup trucks, in increments of 17 vehicles each term. The additional two vehicles (one each term) are necessary as a vacant position is scheduled to be filled.

RECOMMENDATION:

The Department of Public Works recommends the Procurement Services Department seek Commission approval to continue to piggyback the City of Lauderdale Lakes contract with Enterprise FM Trust for an open end lease agreement for municipal utility vehicles and continue this pilot program to provide vehicles for Code Compliance operations. Funding is available in account 01.1112.00143.539.004005.

cc: John Chidsey, Manager, Public Works Code Compliance
 Kee Eng, Assistant Director, Budget & Financial Services
 Madonna Dell Olio, Senior Management/Budget Analysis
 Michelle Lemire, Procurement Specialist