



Legislation Details (With Text)

File #: R-2020-161 **Version:** 1 **Name:** Enterprise Lease Vehicles 2020
Type: Resolution **Status:** Passed
File created: 5/21/2020 **In control:** Department of Public Works
On agenda: 7/1/2020 **Final action:** 7/1/2020
Title: A Resolution Of The City Commission Of The City Of Hollywood, Florida, Approving And Authorizing The Appropriate City Officials To Issue A Blanket Purchase Order With Enterprise FM Trust, A Delaware Statutory Trust, And Execute An Open-End (Equity) Lease Rate Quote For The Lease Of Vehicles To Serve The Code Compliance Division In An Estimated Total Amount of \$123,716.88 For A 14 Month Term, Based Upon Sourcewell Contract #060618-EFM And In Accordance With Section 38.40(C)(5) Of The Code Of Ordinances (Piggyback).

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution - Sourcewell Contract #060618-EFM.doc.pdf, 2. Enterprise Draft BPO - PA600264.pdf, 3. Open-End (Equity) Lease Rate Quote.pdf, 4. Piggyback Request Form.pdf, 5. Contract Summary - Sourcewell (1).pdf, 6. Enterprise Contract 060618.pdf, 7. Master Equity Lease Agreement - Govt.pdf, 8. R-2016-375.pdf, 9. R-2019-089.pdf, 10. TermSheetBPOENTERPRISEOPENENDLEASEPIGGYBACK_.pdf

Date	Ver.	Action By	Action	Result
7/1/2020	1	Regular City Commission Meeting	adopt	Pass

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Approving And Authorizing The Appropriate City Officials To Issue A Blanket Purchase Order With Enterprise FM Trust, A Delaware Statutory Trust, And Execute An Open-End (Equity) Lease Rate Quote For The Lease Of Vehicles To Serve The Code Compliance Division In An Estimated Total Amount of \$123,716.88 For A 14 Month Term, Based Upon Sourcewell Contract #060618-EFM And In Accordance With Section 38.40(C)(5) Of The Code Of Ordinances (Piggyback).

Quality of Life & Strong Neighborhoods

Staff Recommends: The Approval of the Attached Resolution.

Explanation:

The Public Works Department, Fleet Maintenance Division, on behalf of the Development Services Department, Code Compliance Division, is requesting the approval of the attached resolution for the purpose of leasing 18 GMC Sierra pick-up trucks for two seven-month lease cycles in order to replace prior leased vehicles that will be returned to Enterprise FM Trust, a Delaware Statutory (“Enterprise”).

On April 17, 2019, the City Commission passed and adopted Resolution No. R-2019-089 that approved the execution of a Master Equity Lease Agreement with Enterprise Trust FM to lease vehicles for the Police Department. The Enterprise Lease Agreement was competitively procured through the Sourcewell contract, pursuant to contract #060618-EFM in which Enterprise has agreed to provide these vehicles under the pricing terms and conditions.

Public Works contacted Enterprise in regards of the availability of GMC Sierra pick-up trucks, to be delivered via two, seven-month lease cycles, and the vendor advised that they can provide these vehicles to the City pursuant to an open-end lease program.

The open-ended equity lease is for two seven-month lease cycles, and 18 vehicles will be provided to the City during the first seven-month lease cycle, and at the end of the first seven-month term, the first 18 vehicles will be returned and replaced by 18 new vehicles for the second seven-month lease term.

Enterprise projects a re-sale value exceeding the reduced book value at the end of each seven-month term based upon accredited ALG Residual Data, and combined with Enterprise's buying and purchasing power and the manufacturer's government incentives, Enterprise projects that savings from the re-sale will cover the City's lease cost over the 14-month program. Therefore, the rebate to the City can only be determined after the re-sale of the existing vehicles, which over the past three, seven-month lease cycles, have exceeded the purchase price paid by Enterprise. The future rebates are expected to exceed the lease cost (including equipment and registration fees) of \$123,716.88 over the 14-month term.

The Director of Public Works, the Code Compliance Manager, and the Director of Procurement Services recommend that the City Commission authorize the issuance of a Blanket Purchase Order and execution of the attached open-end equity lease rate quote/schedule with Enterprise FM Trust for the leasing of 18 GMC Sierra pick-up trucks for Development Services Department, Code Compliance Division for two seven-month cycles. The funding in the amount of \$123,716.88 spans two fiscal years, and a portion of the funding is available in the FY 2020 Adopted Operating Budget.

The remainder of the first term funds are being appropriated from the Enterprise Lease rebate anticipated to be received, and the cost of the second seven-month term will be provided in a future fiscal year operating budget subject to the approval of the City Commission. The monthly lease cost is \$490.94 per vehicle and funding is available in account 001.220101.53900.540050.000000.000.000, funding for one vehicle will be provided by the Sanitation Enterprise Fund account number 445.520101.53400.540050.000000.000.000 to cover the lease payments

Fiscal Impact:

There is a companion resolution (budget amendment) that will provide partial funding for the lease by allocating funding in account number 001.220101.53900.540050.000000.000.000. The balance of the funding will be budgeted in subsequent fiscal years' operating budget in

account numbers 001.220101.53900.540050.000000.000.000 and
445.520101.53400.540050.000000.000.000 subject to the approval and adoption by the City
Commission.

Recommended for inclusion on the agenda by:
John Chidsey, Code Manager, Department of Development Services
Annalie Holmes, Assistant Director, Department of Public Works
Peter Bieniek, Director, Department of Public Works
George R. Keller, Jr., CPPT, Deputy City Manager, Public Safety