



City of Hollywood

Hollywood City Hall
2600 Hollywood Blvd
Hollywood, FL 33020
<http://www.hollywoodfl.org>

Legislation Text

File #: R-2016-375, **Version:** 1

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Approving And Authorizing The Appropriate City Officials To Execute The Attached Master Equity Lease Agreement Package And Issue The Attached Blanket Purchase Order Between Enterprise FM Trust, A Delaware Statutory Trust ("Enterprise") And The City Of Hollywood, For The Lease Of Vehicles To Serve The Code Compliance Division For A Total 14 Month Term And An Estimated Total Amount Of \$112,544.00.

Staff Recommends: Approval of the Attached Resolution

Explanation:

The Public Works Department, Fleet Division, on behalf of the Code Compliance Division is requesting the approval of the attached lease agreement package for the purpose of leasing pick-up trucks to replace sixteen (16) vehicles that have reached or surpassed their life expectancy and road worthiness by age, mileage and wear and can no longer be relied upon to perform at required operational levels.

Staff reached out to Enterprise regarding availability of an appropriate pick-up truck and the vendor advised City staff that they can provide GMC Sierra 1500 pick-up trucks as needed by the City via an open-end equity lease program. The Enterprise Vehicle Lease Agreement for the vehicle was competitively procured through the City of Lauderdale Lakes, Florida, pursuant to RFP No. 15-1301-02R, and Enterprise has agreed to provide these vehicles under similar pricing terms and conditions as a "piggy-back" to this Agreement.

The proposed lease instrument provides for 32 vehicles to be operated in increments of 16 vehicles at a time for a total 14 month term, of which at the end of the first 7-month term, the first 16 vehicle increment will be returned and replaced by 16 new vehicles for the second 7-month term. Enterprise projects a vehicle re-sale value for the GMC Sierra pick-up exceeding the reduced book value at the end of each 7 month term based upon accredited ALG Residual Data (Automotive Lease Guide). Enterprise's buying and purchasing power together with the manufacturer's government incentives obtained for this vehicle is expected to garner savings from the re-sale which will cover the City's lease cost over the 14 month program. Comparing the MSRP price (\$34,140.00) to the Lease Capitalized vehicle purchase price (\$22,425.00) being offered to the City further illustrates the potential for savings to the City. The savings realized will be returned to the City upon the re-sale of the vehicles by Enterprise. Current market conditions has provided the City this opportunity to take advantage of Enterprise's business model on a pilot study basis, and staff will evaluate the program experience for possible future continued utilization.

Although the projected savings from the re-sale of the vehicles are projected to cover the City's lease program cost, funding for the monthly lease costs is being established without taking the savings into consideration. Funding in the amount of \$57,000.00 for the first 7-month term that is included in FY 2017 will be provided through a companion Resolution. The cost of the second 7-month term will be provided in a future fiscal year operating budget subject to the approval of the City Commission.

Recommended for inclusion on the agenda by:

Dr. Wazir Ishmael, Ph.D., City Manager

Mel Standley, Assistant City Manager

Sylvia Glazer, Director, Public Works

Jonathan Vogt, City Engineer/Deputy Director of Public Works

John Chidsey, Code Compliance Manager

Paul Bassar, Director, Procurement & Contract Compliance