



# City of Hollywood

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

## Legislation Text

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**File #:** R-2018-103, **Version:** 1

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A Resolution Of The City Commission Of The City Of Hollywood, Florida, Authorizing The Appropriate City Officials To Issue The Attached Blanket Purchase Order With Enterprise FM Trust, A Delaware Statutory Trust ("Enterprise"), For The Lease of Vehicles To Serve The Code Compliance Division For A 14 Month Term At An Estimated Total Amount Of \$104,705.72; And Amending The Fiscal Year 2018 Adopted Operating Budget (R-2017-288).

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 for the purpose of leasing 17 pick-up trucks to replace prior lease vehicles that will be returned to Enterprise.

Enterprise was contacted regarding availability of the GMC Sierra pick-up truck and the vendor advised City staff that they can provide GMC Sierras as needed by the City via an open-end lease program.

The pilot program, approved via R-2016-375, was successful in meeting operational demands, maintaining of fleet vehicles, customer support, and the depreciation rebate was received as outlined in the original agreement

The Enterprise Vehicle Lease Agreement 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.

The Master Equity Lease Agreement package is attached and includes the Open-end Equity Lease Quote with Vehicle Specifications and Fair Price Estimates, Termination Value Schedule, Master Equity Lease Agreement, Amendment to Master Equity Lease Agreement Addendum, a Self-Insurance Addendum and Maintenance Agreement.

The proposed lease instrument is an open-end equity lease for 34 vehicles to be operated in increments of 17 vehicles at a time for a total 14 month term, of which at the end of the first 7-month term, the first 17 vehicle increment will be returned and replaced by 17 new vehicles for the second 7-month term.

Enterprise has provided the City with an equity payment equivalent to the re-sale value that exceeded the reduced book value at the end of the first 7 month term, based upon accredited ALG Residual Data (Automotive Lease Guide).

Enterprise projects a re-sale value exceeding the reduced book value at the end of each 7 month term based upon accredited ALG Residual Data (Automotive Lease Guide); 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.

The specific lease units sale price can only be determined after the re-sale value of the existing vehicles is deducted from the value of the leased vehicles, and the lease cost of \$104,705.72 over the 14 month term is considered a worst-case scenario in which the re-sale value obtained equals the reduced book value.

Section 38.40 (C)(5) of the Purchasing Ordinance allows the Director to procure, without following formal procedures, all goods and services which are subject of contracts with the state, its political subdivisions, the United States government, other governmental entities, or a corporation not for profit whose members are governmental entities, public officers, or any combination thereof, provided however, the goods and services are: (i) the subject of a price schedule negotiated by the state or the United States government, or (ii) the subject of a contract with another governmental entity or a corporation not for profit whose members are governmental entities, public officers, or any combination thereof, which contract is based strictly on competitive bids or competitive proposals and not on any preference.

The Director of Public Works, the Code Compliance Manager, and the Director of Procurement Services recommend that the City Commission approve the attached lease agreement package and the issuance of the attached Purchase Order agreement with Enterprise for the leasing of the GMC Sierra pick-up trucks for Code Compliance.

Funding for the attached Blanket Purchase Order in the amount of \$104,705.72 spans two fiscal years. A portion of the funding for the 5-month term is available in the FY 2018 Adopted Operating Budget and the remainder of the funds are being appropriated from the Enterprise Lease rebate received on the prior term of the lease as detailed in Exhibits 1 and 2. The cost of the remainder of the 9-month term will be provided in a future fiscal year operating budget subject to the approval of the City Commission.

The Resolution seeks to amend the budget as detailed in Exhibits 1 and 2 which allocate the Enterprise Lease rebate. A portion will be used to fund this blanket purchase order and the balance will be set aside for vehicle replacements.

Recommended for inclusion on the agenda by:  
Dr. Wazir A. Ishmael, City Manager

George R. Keller, Jr. CPPT, ACM for Public Safety, Interim Assistant City Manager for Finance and Administration

Silvia Glazer, Director, Public Works

Paul Bassar, Director, Procurement Services & Contract Compliance