



City of Hollywood

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

Legislation Text

File #: R-2019-124, **Version:** 2

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 To 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 For A 14 Month Term, For An Estimated Total Amount Of \$139,448.92, Based Upon The City Of Lauderdale Lakes RFP No. 15-1301-02R And In Accordance With Section 38.40(C)(5) Of The Code Of Ordinances (Piggyback); Amending The Fiscal Year 2019 Adopted Operating Budget.

Staff Recommends: Approval of the Attached Resolution.

Explanation:

The Public Works Department, Fleet Division, on behalf of the Code Compliance Division, requests approval of the attached lease rate quote for the purpose of leasing 36 pick-up trucks to replace prior leased vehicles that will be returned to Enterprise FM Trust, a Delaware Statutory Trust ("Enterprise").

Enterprise was contacted regarding availability of 36 GMC Sierra pickup trucks, to be delivered via two, seven month lease cycles, and the vendor advised City staff that they can provide these vehicles to the City pursuant to an open-end lease program.

The pilot program, approved via R-2016-375, was successful in meeting operational demands, maintaining fleet vehicles, customer support, and the equity rebate 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 the pricing terms and conditions.

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 lease is an open-end equity lease 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.

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 \$139,448.92 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 approve the issuance of a Purchase Order with Enterprise for the leasing of 36 GMC Sierra pick-up trucks for Code Compliance.

Funding in the amount of \$139,448.92 spans two fiscal years; a portion of the funding for the balance of this fiscal year (five months of the first seven month term) is available in the FY 2019 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.

Certain routine and periodic budgetary transfers and appropriations continue to be appropriate and necessary to ensure prudent financial management during the fiscal year.

The monthly lease cost is \$505.66 per vehicle and funding for 16 vehicles is available in account 001.500401.53900.540050.000000.000.000, funding for 1 vehicle is being provided by the CRA and funding for 1 vehicle will be provided by the Sanitation Enterprise Fund to cover the lease payments.

The Resolution seeks to amend the budget as detailed in Exhibits 1 and 2, which appropriates the future Enterprise Lease rebate in an amount of \$35,000.00 and allocates

funds as needed.

Recommended for inclusion on the agenda by:

John Chidsey, Code Compliance Manager, Department of Public Works

Sylvia Glazer, Director, Department of Public Works

George R. Keller, Jr., CPPT, Assistant City Manager, Public Safety