



Legislation Text

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Report to Mayor and City Council

Tuesday, July 02, 2024

Consent

SUBJECT:

CONSIDERATION OF AWARD OF CONTRACT AGREEMENTS BETWEEN ENTERPRISE FLEET MANAGEMENT, INC. AND THE CITY OF CARSON FOR EQUITY LEASING AND MAINTENANCE OF LIGHT-DUTY VEHICLES. (CITY COUNCIL)

I. SUMMARY

Public Works is requesting the City Council's approval to enter into agreements with Enterprise Fleet Management (EFM), Inc for the lease and maintenance of 14 fleet vehicles to be utilized by the Public Works, Community Services, and Public Safety departments. These vehicles have been identified and prioritized as necessary for staff to continue to provide the best service, in a safe and efficient manner. Prioritization was based on risk of current vehicle failure, maintenance costs, and shortage of current fleet vehicles. The current vehicle shortage prevents staff from operating efficiently and effectively.

Enterprise has provided a quote of \$14,865.38 monthly payments for all 14 vehicles with a 5-year lease term. In total, the annual cost will be \$178,384.56 and the 5-year lease sum will be a not-to-exceed amount of \$891,922.80.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE the Master Equity Lease Agreement with Enterprise Fleet Management and addendum.
2. APPROVE the Full Maintenance Agreement with Enterprise Fleet Management and addendum.
3. APPROVE the Maintenance Management and Fleet Rental Agreement with Enterprise Fleet Management and addendum.
4. APPROVE the 14 Schedule Agreements with Enterprise Fleet Management.
5. AUTHORIZE the City Manager to execute all 14 Schedule Agreements and the Mayor

to execute the remaining Agreements with Enterprise Fleet Management.

III. ALTERNATIVES

1. DO NOT APPROVE the Agreements with Enterprise Fleet Management.
2. TAKE another ACTION the City Council deems appropriate, consistent with the requirements of the law.

IV. BACKGROUND

The Department of Public Works manages a diverse fleet of vehicles to support various departments and divisions, including, Public Works, Community Services, Human Services, Public Safety, and Information Technology.

The current fleet of light duty vehicles is aging, resulting in increased maintenance costs and decreased reliability. Additionally, there is a growing need to transition to more sustainable transportation, such as electric vehicles, to align with the City's environmental objectives.

To address these challenges the Department of Public Works proposes leasing 14 new light duty vehicles. Leasing offers several advantages over purchasing including lower upfront cost, and the ability to upgrade to newer and more fuel-efficient models as technological advancements occur. All 14 vehicles will be governed by a single Master Equity Lease Agreement, two maintenance agreements, and 14 separate Schedules to govern the business terms of the lease as it pertains to each leased vehicle. The Master Equity Lease Agreement, two maintenance agreements, and sample Schedule are attached to this report as Exhibits 3, 7, 8 and 9. The Master Equity Lease Agreement and maintenance agreements will also be subject to an addendum to each to incorporate various terms after negotiations with the City Attorney's Office. As of the writing of this report, the addenda were not available to be made part of the agenda packet but it is anticipated they will be presented to the City Council during the July 2, 2024, Council meeting for consideration.

Section 2611(g) of the City's Municipal Code (CMC) allows City, through its Purchasing Manager, to dispense with competitive bidding processes to purchase materials, supplies, equipment, or services by utilizing a cooperative purchasing program engaged in by any local, county, State, or Federal public entity or entities, even if the contracts and implementing agreements entered into by the participating entity or association under those cooperative purchasing programs were not entered into pursuant to a process that resulted in the contract being awarded to the lowest responsible and responsive bidder under CMC 2610(i); provided, that the selected bidder was selected in compliance with the competitive bidding or proposal process requirements of any participating entity or association within three years of City's approval of the City contract entered into with the selected bidder via cooperative purchasing. The City Council has made a determination that the benefits to City of utilizing cooperative purchasing outweigh any incremental higher price that may be paid by City in certain instances as a result of not soliciting directly utilizing the lowest responsible and responsive bidder standard under CMC 2610(i).

Sourcewell competitively solicited and publicized Fleet Management Services via RFP #030122 and as a result, Sourcewell awarded contract #030122-EFM to Enterprise Fleet Management Inc. As an active member of Sourcewell, the City of Carson is able to benefit from the terms, conditions and pricing outlined in contract #030122-EFM. The City's Purchasing Manager has determined that the Sourcewell cooperative purchasing bidding process complies with the requirements of Section 2611(g) of the CMC and has therefore waived the formal bidding process for lease of the vehicles (Exhibit 10).

The leasing of light duty vehicles will be funded through the City's Special Revenue Fund 638 Vehicle/Rolling Inventory Account. The leasing agreement with Enterprise includes fixed monthly payments, which will allow for better budget predictability and financial planning.

V. FISCAL IMPACT

If approved, funds for the agreement are available in the Special Revenue Fund 638-99-999-999-8003. The annual amount of \$178,384.56 is allocated in the Fiscal Year 2024-2025 adopted budget. Subsequent annual allocation will be included in the corresponding fiscal year budget requests.

VI. EXHIBITS

1. City of Carson Analysis by Enterprise (pgs. 4-19)
2. City of Carson Enterprise Budget Forecast (pgs. 20-21)
3. Master Equity Lease Agreement (pgs. 22-27)
4. EFM Government Credit Application (pgs. 28-30)
5. Sourcewell Enterprise Fleet Contract (pgs. 31-72)
6. EFM Sourcewell Pricing (pg. 73)
7. Full Maintenance Agreement (pgs. 74-75)
8. Maintenance Management and Fleet Rental Agreement (pgs. 76-77)
9. Sample Schedule (pg. 78)
10. Purchasing Waiver (pgs.79-80)

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