

MEMORANDUM

DATE: December 9, 2018

TO: Otis Thomas, General Services Director

FROM: Andrew Jean-Pierre, Finance Director
Robert McCaughan, Public Works Director

RE: Approval to piggyback Sourcewell Contract #060618EFM "Fleet Management Services" from Enterprise Fleet Management for the purchase of 13 vehicles

The City's adopted annual budget for fiscal year 2018-2019 provides for funding for the City's capital replacement plan. Forty (40) vehicles were identified for replacement in the capital replacement plan. Staff seeks approval to purchase thirteen (13) of these vehicles through Enterprise Fleet Management. These vehicles range from compact cars to medium-size trucks. The remaining twenty-seven (27) are heavy duty trucks or specialized vehicles such as fire trucks, dump truck and garbage trucks. Staff will present a separate item for the purchase of the heavy/specialized duty vehicles as Enterprise does not lease these type of vehicles at this time.

As previously mentioned we have already budgeted for 13 vehicles to be purchased for the replacement of existing vehicles under the City's capital replacement plan. Fleet maintenance has a point system that they use to determine when it is time to replace a vehicle. It is based on age, maintenance costs and mileage. The average age of the 13 vehicles we are replacing is twelve (12) years.

The City currently has 319 vehicles in its fleet inventory. Staff recommends the approval of the piggyback of the lease-purchase of 13 vehicles through Enterprise Fleet Management. The main reason we are recommending Enterprise is because we are interested in lowering our total cost of ownership and reducing the age of our vehicle fleet. Please note that reducing the age of our vehicles is optional but the benefits are listed below as it is something we will be considering.

- 1) We will get the vehicle for the lowest price due to the buying power of Enterprise (1.9 million vehicle fleet). Enterprise is offering the 13 vehicles we need at prices which mirror that of the Florida Sheriffs Association Cooperative Purchasing Program. This program is widely considered to have the lowest prices for vehicles and is used by many Florida municipalities.
- 2) We will be able to sell vehicles at a higher value due to their large network (\$1.1 client vehicles sold in 2017).
- 3) We will be getting an open-ended lease. This combines all of the benefits of leasing while giving us the option to purchase the vehicles at a pre-determined value at the end of the lease.
- 4) Reducing the age of our vehicle fleet, reduces our carbon footprint and fuel costs as we replace our older vehicles with newer, more fuel efficient vehicles.
- 5) Reducing the age of our vehicle fleet provides us access to safety and crash avoidance technologies sooner. Examples are electronic stability with anti-roll, wireless phone connectivity (bluetooth), backup alarms or cameras.

Thank you