



## Legislation Text

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**File #:** 18-0506, **Version:** 1

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Recommendation to adopt Specifications No. ITB FS18-074 and award a contract to Mossy Nissan, of San Diego, CA, for the delivery of three Nissan Leaf SV electric vehicles, valued at a total amount of \$101,236, pursuant to lease-purchase agreement;

Adopt Specifications No. ITB FS18-075 and award a contract to Courtesy Chevrolet Center, of San Diego, CA, for the delivery of two Chevrolet Bolt electric vehicles, valued at a total amount of \$71,860, pursuant to lease-purchase agreement; and

Authorize City Manager, or designee, to execute all documents necessary to enter into contracts, including any necessary amendments, with Acme Auto Leasing, LLC, of North Haven, CT, for lease financing of three Nissan Leaf SV electric sedans and two Chevrolet Bolt electric sedans for a period of one year, in a total amount not to exceed \$161,395. (Citywide)

City Council approval is requested to enter into contracts with Mossy Nissan, for the lease-purchase of three Nissan Leaf SV electric vehicles, and Courtesy Chevrolet Center, for the lease-purchase of two Chevrolet Bolt electric vehicles. Four of the units were authorized in the approved FY 17 replacement plan and one was approved as a FY 18 mid-year enhancement request. While sufficient capital to purchase the vehicles was collected, the Financial Management Department is recommending financing through lease agreements to take advantage of a \$5,000 per-vehicle federal tax credit, which lowers the overall cost of the vehicle to the City. Municipalities can only take advantage of these rebates when purchasing qualified new vehicles through a leasing agreement.

City Council approval is also requested to enter into a contract with Auto Leasing, LLC, for the lease financing of three Nissan Leaf and two Chevrolet Bolt electric vehicles. These agreements will enable the City to take advantage of federal tax credits, which will reduce the total vehicle cost by \$25,000. The City will submit a down payment of \$95,575 to secure the vehicles, and will pay lease fees of \$66,360 for all five vehicles over 12 months. Through the proposed lease agreements, the City will realize \$15,933 in net savings. When the lease payments are completed, the City will retain ownership of the five vehicles.

These units were competitively bid on April 9, 2018. Mossy Nissan Kearny Mesa (not a SBE, DBE, MBE, or Local), of San Diego, CA, and Courtesy Chevrolet (not a SBE, DBE, MBE, or Local), of San Diego, CA, were the lowest responsible bidders when the bid closed on April 24, 2018.

The Fleet Services Bureau and the Purchasing Division of the Financial Management

Department investigated procurement options, and Acme Auto Leasing, LLC (not a SBE, a DBE, MBE, WBE, or Local), was determined to provide the best discounted price while allowing for timely acquisition and delivery. This business has been leasing to government agencies since 1982, and is used by the National Cooperative Purchasing Alliance (NCPA), the Houston-Galveston Area Cooperative (HGAC), and the General Services Administration (GSA), to obtain federal rebates available for alternative-fueled vehicle purchases.

This matter was reviewed by Deputy City Attorney Monica J. Kilaita on June 4, 2018 and by Revenue Management Officer Geraldine Alejo on May 31, 2018.

### SUSTAINABILITY

The new all-electric vehicles have no particulate or greenhouse gas emissions and are fully compliant with the State of California and local district air quality regulations.

City Council action is requested on June 19, 2018, to ensure the contracts are in place expeditiously.

The lease finance agreements for the three Nissan Leafs and two Chevrolet Bolts will not to exceed \$161,935, and includes the down payment, sales tax, licensing fees, and financing costs. This amount includes a reduction of \$25,000 from federal tax credits. Costs are budgeted in the Fleet Services Fund (IS 386) in the Financial Management Department (FM), offset by charges to user departments through the Fleet monthly billing process. There is no local job impact associated with this recommendation.

Approve recommendation.

JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST  
CITY MANAGER