



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-24

333 West Ocean Boulevard • Long Beach, CA 90802

December 14, 2010

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution authorizing the City Manager to execute a contract with Enterprise Rent-A-Car Company of Los Angeles, LLC, dba Enterprise Fleet Management of Los Angeles, CA (not an MBE, WBE, SBE or Local), for the lease of 13 police vehicles per the quote dated October 22, 2010, on the same terms and conditions afforded to the City of Santa Ana, Specification No. 02-076 and 08-074, in an amount not to exceed \$57,500 annually including tax and fees for a four-year lease period, plus a \$27,500 annual contingency, if necessary and if funds are available with an option to lease up to six additional units, pursuant to City Manager approval. (Citywide)

DISCUSSION

City Council approval is being requested to enter into a contract for the lease of 13 police vehicles as part of the City's multi-year vehicle replacement plan. This contract will provide the Police Department vehicles of various models and years for undercover and surveillance operations. The budgeted amount to purchase 13 vehicles is \$284,700. By leasing the vehicles in lieu of buying, the City achieves cost savings of \$54,700, or 19 percent, over the four-year lease period.

There are approximately 95 vehicles in the undercover fleet and about 14 percent (or 13 vehicles) are replaced on an annual basis. The replacement criteria are based on condition of the vehicle, mileage, or extensive exposure as a police vehicle. The vehicles that are being replaced are, on an average, over ten years old and exceed 100,000 miles.

The City Charter provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment and labor with other governmental agencies by purchasing under their contracts on a voluntary and selective basis when authorized by a Resolution of the City Council.

The Department of Public Works, Fleet Services Bureau, and the Department of Financial Management, Purchasing Division, investigated procurement options and learned that the City of Santa Ana had completed a competitive bid process for leased vehicles and has a contract with Enterprise Fleet Management that meets the City's needs. This cooperative purchase agreement will facilitate the timely acquisition of these vehicles and provide cost benefits to the City. This proposed acquisition of lease cars will provide flexibility within the leased fleet and reduce costs to the City, while maintaining a high service level.

Enterprise Fleet Management has agreed to lease 13 vehicles to the City of Long Beach under the same terms and conditions as are afforded to the City of Santa Ana in an amount not to exceed \$57,500 annually, including tax and fees. The proposed vehicles meet the needs of the Police Department and the specifications have been approved by the Department of Public Works, Fleet Services Bureau.

This matter was reviewed by Deputy City Attorney Amy R. Burton on November 17, 2010 and Budget Management Officer Victoria Bell on November 22, 2010.

TIMING CONSIDERATIONS

City Council action is requested on December 14, 2010, to ensure that the leased vehicles are placed in service in a timely manner.

FISCAL IMPACT

The annual cost of this contract, in the amount of \$57,500, including taxes and fees, plus a \$27,500 annual contingency, is budgeted in the General Fund (GP) in the Police Department (PD). The recommended action will result in a cost savings of \$54,700, or 19 percent, over the four-year lease term. There is no job impact associated with this request.

HONORABLE MAYOR AND CITY COUNCIL
December 14, 2010
Page 3

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO


MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS


JIM MCDONNELL
CHIEF OF POLICE

LAF:ES:MPC:MK
K:\EXEC\COUNCIL LETTERS\PURCHASING\12-14-10 ccl - ENTERPRISE FLEET MGMT FOR LEASE OF L CARS.DOC

ATTACHMENT

APPROVED:



PATRICK H. WEST
CITY MANAGER

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO LEASE THIRTEEN POLICE VEHICLES THROUGH THE SPECIFICATION BETWEEN THE CITY OF SANTA ANA AND ENTERPRISE RENT-A-CAR COMPANY OF LOS ANGELES, LLC DBA ENTERPRISE FLEET MANAGEMENT OF LOS ANGELES

WHEREAS, the Charter of the City of Long Beach (the "City"), Section 1802, permits the City to purchase services, supplies, materials, equipment and labor with other government agencies by purchasing under their contracts on a voluntary and selective basis when authorized by resolution; and

WHEREAS, the City desires to lease thirteen (13) police vehicles ("Vehicles"); and

WHEREAS, the City of Santa Ana has a Specification for the acquisition of these Vehicles, Spec No. 02-076 and 08-074 ("Santa Ana Spec"); and

WHEREAS, the City's participation in the Santa Ana Spec will facilitate acquisition of these Vehicles as well as provide considerable cost benefits to the City; and

WHEREAS, if the City had to go to formal bid rather than participate in the Santa Ana Spec considerably more funds would be required;

NOW, THEREFORE, the City Council of the City of Long Beach resolves as follows:

1. The above recitals are true and correct and are incorporated herein by this reference.
2. The City Manager of the City is hereby authorized to enter an

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 agreement with Enterprise Rent-A-Car Company of Los Angeles, LLC dba Enterprise
2 Fleet Management of Los Angeles to lease thirteen (13) police vehicles of substantially
3 the same type and kind leased by the City of Santa Ana pursuant to the Santa Ana Spec
4 except as modified by mutual agreement of the City of Long Beach and Enterprise Rent-
5 A-Car Company of Los Angeles, LLC dba Enterprise Fleet Management of Los Angeles,
6 and the lease by the City of Long Beach shall be on the same terms and conditions
7 afforded to the City of Santa Ana in an amount not to exceed \$57,500 annually including
8 tax and fees, for a period of four years, plus a \$27,500 annual contingency if necessary
9 and if funds are available with the option to lease six (6) additional units.

10 3. This resolution shall take effect immediately upon its adoption by the
11 City Council, and the City Clerk shall certify the vote adopting this resolution.

12 I hereby certify that the foregoing resolution was adopted by the City
13 Council of the City of Long Beach at its meeting of _____, 20__ by the
14 following vote:

15
16 Ayes: Councilmembers: _____
17 _____
18 _____
19 _____

20 Noes: Councilmembers: _____
21 _____

22 Absent: Councilmembers: _____
23 _____

24
25
26 _____
27 City Clerk

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