



# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

# R-15

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May 12, 2015

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Adopt Specifications No. ITB FS15-005 and award a contract to Enterprise FM Trust, dba Enterprise Fleet Management, Inc., of St. Louis, MO, for leasing vehicles for various Police operations, in an annual amount not to exceed \$155,000, including tax and fees, for a period of four years; and, authorize the City Manager or designee to execute all documents necessary to enter into the contract, including any necessary amendments thereto. (Citywide)

## DISCUSSION

City Council approval is requested to enter into a contract with Enterprise Fleet Management, Inc. (Enterprise), for the lease of up to 20 vehicles, as needed by the Police Department for undercover and surveillance operations. This contract is a continuation of an existing limited vehicle leasing program and will allow the City to replace vehicles of various makes and models, as needed, over the contract period.

The City maintains a wide variety of vehicles to support specialized operations in the Police Department. Standard replacement cycles are five to seven years for most of their light duty vehicles. However, many of the undercover and surveillance vehicles range in model years from 1997 to 2005, far exceeding their efficient and useful life. Subsequently, it has become necessary to perform costly repairs, including entire engine and transmission replacements. Also, as repairs are performed, the number of vehicles out-of-service can be significant, resulting in a reduction of operational efficiencies. The proposed lease will address this portion of the fleet through near-term replacement of the most mechanically worn and aged vehicles. Maintaining a newer fleet will result in ongoing cost savings to the Police Department through the elimination of costly repairs, as well as reduced fuel costs (newer models are more fuel efficient), and will provide better assurance that vehicles are mechanically sound. Most importantly, newer and more dependable vehicles will be available to support Police Department operations.

The proposed vehicle lease will be an 'Open-Ended' Lease, which, at the end of the term (48 months), will allow the City to purchase the vehicles if it is determined to be a viable option, or return the vehicles to Enterprise at no additional cost to the City.

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Enterprise will deliver the leased vehicles to the City's Fleet facility at 2600 Temple Avenue, fully registered and ready for standard operation. The manufacturer's standard warranty will be provided with each vehicle.

The bid was advertised in the Press-Telegram on October 17, 2014, and 928 potential bidders specializing in vehicle leasing services were notified of the bid opportunity. Of those bidders, 21 downloaded the bid via our electronic bid system. The bid document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's weekly update of Open Bid Opportunities, which is sent to 30 local, minority and women-owned business groups. One bid was received on November 6, 2014. Enterprise FM Trust, dba Enterprise Fleet Management, Inc., of St. Louis, MO (not an MBE, WBE, SBE, or Local), was determined to be responsive and responsible.

### **Local Business Outreach**

In an effort to align with our outreach goal, Long Beach businesses are encouraged to submit bids for City contracts. The Purchasing Division also assists businesses with registering on the Bids Online database to download bid specifications. Through outreach, 143 Long Beach vendors were notified to submit bids, of which one downloaded; however, none submitted a bid. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Kendra L. Carney on April 15, 2015 and by Budget Management Officer Victoria Bell on April 22, 2015.

### **SUSTAINABILITY**

All vehicles leased will be compliant with current air quality regulations for the State of California, and will be equipped with all required safety and security features, and will be maintained by the Fleet Services Bureau.

### **TIMING CONSIDERATIONS**

City Council action to adopt Specifications No. ITB FS15-005 and award a contract concurrently is requested on May 12, 2015, to ensure that lease vehicles are available to support Police departmental operations Citywide.

### **FISCAL IMPACT**

The cost of this contract will not exceed \$155,000 annually and is budgeted in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) and in the General Fund (GF) in the Police Department (PD). There is no local job impact associated with this recommendation.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

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APPROVED:



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PATRICK H. WEST  
CITY MANAGER