



CITY OF MENIFEE

SUBJECT: Vehicle Lease Agreements

MEETING DATE: July 7, 2021

TO: Mayor and City Council

PREPARED BY: Bryce Howell, Park/Landscape Manager

REVIEWED BY: Jonathan Nicks, Community Services Director

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Approve and authorize the City Manager to sign the acceptance for the Enterprise lease quote and execute the Vehicle Lease Agreement with Enterprise Fleet Management to secure vehicles for the use by the Community Services Department effective July 1, 2021; and
2. Allow the purchase to be made under the cooperative purchasing (piggyback) agreement under Sourcwell Contract #060618-EFM, thereby exempting the purchase under the competitive bidding process.

DISCUSSION

With the recent approved personnel allocation for Fiscal Year 2021/2022, the Community Services Department will be adding two additional Maintenance Workers to the team to assist with the maintenance of right-of-way and park landscaping that continues to grow year after year. The additional staff will also require the appropriate resources and tools to properly perform their duties, including City vehicles.

As a means to assure the City maintains a safe, reliable fleet while at the same time remaining fiscally prudent, staff recommends use of the current contract with Enterprise Fleet Management to lease two additional vehicles. Leases are recommended instead purchases due to financing available to spread the cost over several years, positive residual/trade-in value of the proposed vehicles, and the availability of maintenance services and damage protection included in the lease terms.

The City has received a quote from Enterprise Fleet Management for one Ford F250 XL truck with a service body for \$735.92 per month, and one standard Ford F150 truck for \$515.64 per month. Due to the shortage of vehicles, lease agreements will not be provided to the City until Enterprise receives the signed quotes.

If approved, this option is estimated to cost no more than \$1,252 per month (inclusive of routine maintenance), for the two vehicles. At the end of the 60-month term, the City has the option to either purchase the vehicle, or enter into a new lease agreement, with the residual value of the vehicles applied as a credit against the new lease, as done in previous years.

The City of Menifee is a current member of Sourcewell, which holds hundreds of competitively bid cooperative contracts combining the buying power of 50,000 government, education, and nonprofit organizations. Using Sourcewell to obtain the already competitively bid quote from Enterprise Fleet Management, the City is able to save time and money through this “piggyback” process. Due to the Sourcewell piggyback, the recommended lease with Enterprise Fleet Management, Inc. has already met competitive bid standards as a cooperative purchase agreement, allowed under the Menifee Municipal Code 3.12.070. The City will benefit from the reduced administrative costs and lower pricing. Specifically, this purchase is made under the existing Contract #060618-EFM.

STRATEGIC PLAN OBJECTIVE

Safe and Attractive Community

FISCAL IMPACT

The five-year fiscal impact of the proposed lease for the two vehicles will not exceed \$79,000 including municipal discounts and government contract pricing. The fiscal impact for Fiscal Year 2021/22 will be \$15,018.72 and has been allocated in Account # 100-4661-52502 and future years would be funded in the corresponding fiscal year’s budget.

ATTACHMENTS

1. Lease Proposal F250
2. Lease Proposal F150
3. Sourcewell Membership Confirmation
4. Sourcewell Contract for Enterprise Fleet Management Contract #060618-EFM