The City of Daytona Beach
Business Enterprise Management Department

TO: James V. Chisholm, City Manager

FROM: John J. Drago, Business Enterprise Management Director

DATE: April 13, 2018

SUBJECT: **Leasing 30 Equipped Marked Police Vehicles**

REQUEST:
Business Enterprise Management Department (BEMD) requests the City Commission adopt an ordinance with the following stipulations:

- Waive Section 30-81 (Source Selection) of the Purchasing Code.
- Approve Addendum 2 which clarifies the non-appropriation clause in Addendum 1 of the Master Lease Agreement and authorize the City Manager and City Clerk to sign the Addendum
- Approve a 3-year / 40,000 mile per year closed-end lease for 30 equipped marked police vehicles with The Bancorp, 3755 Park Lake Street, Orlando, FL 32808; and authorize the City Manager to execute any documents needed to complete the lease.
- Approve the expenditure of $385,586.10 annually beginning October 1, 2018 and ending September 30, 2021, subject to budget appropriations.
- Authorize the City Manager to purchase a quantity of marked police vehicles at the termination of the closed-end lease at a cost of $6,000.00 per vehicle, subject to budget appropriations.

PURPOSE:
The purpose of this board item is to lease 30 equipped marked police vehicles.

CONSIDERATION:
On January 21, 2015, the City Commission adopted Resolution 15-18 establishing a Vehicle Acquisition Program (VAP) for police vehicles and related accessory equipment. On March 18, 2015 the City Commission adopted Ordinance 15-75 approving a Master Lease Agreement and Property Schedule with The Bancorp to lease 40 marked police vehicles as part of the first generation of the VAP model.

Since the VAP was approved, the Police Department has acquired 86 police related vehicles and accessory equipment using a combination of three acquisition strategies.

The VAP has yielded the following outcomes:

- Maintain Police morale and productivity at its present level.
- Reduced maintenance cost by retiring older, non-productive police vehicles on a planned schedule.
- Provided the public with appropriate law enforcement services that are available and ready to serve consistently when requested.
- Sustained the public perception that the City's law enforcement services are professional and of high quality.

The adoption of this board item begins the second generation of the VAP model.

The City solicited quotes on March 8, 2018 to 88 vendors. On March 22, 2018 the City received three

quotes. The attached summary of leasing cost relative to yearly mileage limits was evaluated and analyzed using the VAP Financial Model to ascertain which scenario financially was in the best interest of the City. The scenario that fit the VAP Financial Model the best was The Bancorp 40,000 miles per year at a $12,852.87 yearly lease cost per vehicle with a $6,000.00 per vehicle buyout cost.

The Purchasing Code authorizes the City Commission to waive compliance with any provision of the code where it determines that such a waiver is in the best interest of the City. This waiver is justified due to the limited leasing companies that lease marked police vehicles on a closed-end lease to the City and accepts the return of the leased police vehicles after the term of the lease.

FUNDING:
Funds are available in the General Fund – Police Vehicles account 001-300000-521-564000-300801.

RECOMMENDATION:
Business Enterprise Management Department (BEMD) recommends the City Commission adopt an ordinance approving a 3-year, 40,000 mile per year closed-end lease, with a $385,586.10 yearly lease cost and a $6,000.00 per vehicle buyout rate for 30 equipped marked police vehicles beginning October 1, 2018, with The Bancorp, 3755 Park Lake Street, Orlando, FL 32808 contingent upon budget appropriations and with stipulations.

SCHEDULE:
Upon City Commission Approval

ATTACHMENT:
Agenda Summary
Resolution 15-18
Ordinance 15-75
Master Lease Agreement
Addendum 1
Addendum 2
Vehicle Price Quote
Closed-End Lease Schedule
Summary of Proposals
Sufficiency of Funds
Power Point