

Council Meeting of
July 12, 2011

Honorable Mayor and Members
of the Torrance City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: General Services – Authorize purchase orders for 2006 Chevrolet Silverado ¾-ton pickup trucks.

Expenditure: \$49,121.34

RECOMMENDATION

Recommendation of the General Services Director that City Council authorize two (2) purchase orders totaling \$49,121.34 for the acquisition of nine (9) 2006 Chevrolet Silverado ¾-ton pickup trucks that have been leased to the City of Torrance from Enterprise Fleet Management (formally known as Enterprise Fleet Services) since 2006.

The total amount due represents the residual book value of the trucks, plus the final month's lease payment with purchase orders issued as follows:

1. Enterprise Fleet Management Exchange, Inc.; \$43,595.00.
2. Enterprise Fleet Management Trust; \$5,526.34 (final lease payment).

Funding

Funding is available in the FY 2011-2012 Fleet Services Vehicle and Equipment Revolving Fund.

BACKGROUND / ANALYSIS

On February 28, 2006 your Honorable Body approved a five-year open-ended lease for ten (10) 2006 Chevrolet Silverado ¾-ton Pickup Trucks. The lease included full maintenance services, with the exception of tire and brake replacements based on normal wear and tear which were performed by City Mechanics using in-house resources.

One (1) of the ten (10) trucks was damaged beyond repair several months ago as a result of an accidental fire from a fuel tank rupture that occurred after impact with a man hole lid that had been displaced due to heavy rains and flooding. The ensuing fire engulfed the entire rear portion of the vehicle, rendering it beyond economical repair. After salvage value was factored in, the remaining balance due on the burned vehicle is a credit of \$51.13 which is included in the final residual payment owed by the City for acquisition of the remaining nine (9) trucks.

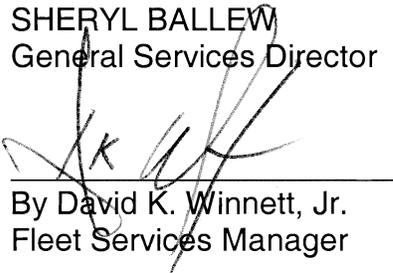
After acquisition the nine (9) trucks will remain in the City's fleet, with all future maintenance services performed by City Mechanics.

Overall the lease "pilot project" proved to be a cost-effective endeavor, allowing the City to avoid the considerable up-front capital acquisition costs that normally occur with vehicle purchases. The outside maintenance services provided by Enterprise proved satisfactory and allowed the City to redirect valuable in-house maintenance resources to our more maintenance-intensive heavy-duty fleet assets (Refuse, Fire, Tractors, etc.).

Staff is currently exploring additional leasing opportunities for future light-duty vehicle acquisitions and will return to Council when a recommendation is fully developed.

Respectfully submitted,

SHERYL BALLEW
General Services Director

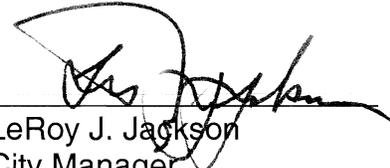


By David K. Winnett, Jr.
Fleet Services Manager

CONCUR



Sheryl Ballew
General Services Director



LeRoy J. Jackson
City Manager