

MEMORANDUM

October 28, 2014

TO: Honorable Mayor and City Commission

VIA: Kenneth Fields, City Manager

FROM: Tom Moran, P. E., Utilities Director
Sarah B. Kirkland, Utilities Projects Administrator

SUBJECT: Lease Agreement with Mears Motor leasing

SYNOPSIS: Staff is requesting Commission approval to lease-purchase six (6) vehicles for the Utilities Department from Mears Motor Leasing.

STAFF RECOMMENDATION

It is recommended that the City Commission take the following action:

1. Approve the sixty (60) month lease of one 2015 Ford Escape, three 2015 Ford F-150, and two 2015 F-250 from Mears Motor Leasing.
2. Authorize the City Manager to execute the appropriate documents on behalf of the City.
3. Authorize the Purchasing Department to place the old vehicles on GovDeals for disposal.

BACKGROUND

The Water, Wastewater, and Utilities Administration Divisions have found themselves in the position of needing to replace vehicles that have come to the end of their useful life.

The vehicles for the Water Division are vehicles that are no longer on the road and are at the city garage awaiting costly repairs. Staff chose to forgo these repairs in favor of replacement. The vehicles to be replaced are 1997 Ford Ranger, 1999 F-250, and 1998 F-150. The Ranger and F-150 will be replaced with 2015 F-150's. The vehicle for the Utilities Administration Division that will be replaced is a 1999 4 x 4 Ford Explorer. The replacement vehicle would be a 2015 Ford Escape. The vehicles for the Wastewater Division that will be replaced are a 1998 F-150 and a 1999 F-150. These vehicles are to be replaced with newer vehicles of the same model. Staff had originally planned for the replacement of these vehicles in the 5-yr CIP schedule. Due to the economic state of the city, staff had to keep putting off the replacement of these vehicles until such time funds would allow or a better alternative was present. Staff sees leasing as the better low cost alternative than having several large lump sum expenditures.

Staff is seeking commission approval to enter into an amended contract with Mears Motor Leasing to provide the above six vehicles for a cost of \$30,204.96 per year, providing at the end of the 60 month lease the City will have the option to purchase the six vehicles for a total of \$1 per vehicle. Staff is also seeking the Commission to approve of the disposal of the old vehicles being replaced.

OTHER OPTIONS

1. A full purchase for all six vehicles would result in a current year decrease of cash flow of \$151,024.80.
2. Retain the existing vehicles.

FISCAL IMPACT

If the City Commission approves the vehicle lease agreement, the City is committed to a yearly lease payment of \$30,204.96 for the remaining four (4) years of the five (5) year lease.

ATTACHMENTS

Bid Submittal



**SCHEDULE
OPEN-END LEASE**

The following vehicle is hereby added to the Master Lease Agreement between The Bancorp Bank dba Mears Leasing (Lessor) and City of Lake Wales

(Lessee).

Customer #: 10890

Dated: 10/21/2014

Unit # _____

YEAR, MAKE, MODEL	VIN
2015 Ford F-150 4x2 Regular Cab	

EXTERIOR COLOR	INTERIOR COLOR	OPTIONAL EQUIPMENT	STATE OF REGISTRATION	EST. ANNUAL MILEAGE
White		Spray on bedliner, trailer tow package, lights	FL	

TERM: 60 Months

ORIGINAL VALUE: \$21,153.10

BASE PAYMENT: \$370.04

SALES /USE TAX: 0.00

TOTAL MONTHLY PAYMENT: \$370.04

SECURITY DEPOSIT: 0.00

DOWN PAYMENT: 0.00

TERMINATION VALUE: 1.00

ESTIMATED INITIAL TAX AND TAGS: Billed Separately

Additional Terms and Conditions:

LESSEE: City of Lake Wales

LESSOR: The Bancorp Bank

SIGNATURE: _____

SIGNATURE: _____

TITLE: _____

TITLE: _____

SIGNATURE: _____

TITLE: _____

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Dated: 10/21/2014

Unit # _____

YEAR, MAKE, MODEL	VIN
2015 Ford Escape	

EXTERIOR COLOR	INTERIOR COLOR	OPTIONAL EQUIPMENT	STATE OF REGISTRATION	EST. ANNUAL MILEAGE
White		4 corner trobes	FL	

TERM: 60 Months

ORIGINAL VALUE: \$19149.00

BASE PAYMENT: \$335.02

SALES /USE TAX: 0.00

TOTAL MONTHLY PAYMENT: \$335.02

SECURITY DEPOSIT: 0.00

DOWN PAYMENT: 0.00

TERMINATION VALUE: 1.00

ESTIMATED INITIAL TAX AND TAGS: Billed Separately

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Customer #: 10890

Dated: 10/21/2014

Unit # _____

YEAR, MAKE, MODEL	VIN
2015 Ford F-250 4x4 Regular Cab with Knapheide Body	

EXTERIOR COLOR	INTERIOR COLOR	OPTIONAL EQUIPMENT	STATE OF REGISTRATION	EST. ANNUAL MILEAGE
White		light bar and strobes	FL	

TERM: 60 Months

ORIGINAL VALUE: \$30636.00

BASE PAYMENT: \$535.97

SALES /USE TAX: 0.00

TOTAL MONTHLY PAYMENT: \$535.97

SECURITY DEPOSIT: 0.00

DOWN PAYMENT: 0.00

TERMINATION VALUE: 1.00

ESTIMATED INITIAL TAX AND TAGS: Billed Separately

Additional Terms and Conditions:

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SIGNATURE: _____

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