



Commerce City Vehicle Lease Program

15 November 2021

6 December 2021 (Updated)

Overview

- Background
- Fleet Overview
- Expenses
- Next Steps

Background

- In 2017, City Council authorized the City to enter into a Master Equity Lease Agreement with Enterprise FM Trust, “Enterprise”
- Purpose of this agreement was/is to provide for a method to replace vehicles/equipment that surpassed its cost effective useful life-span with more modern, safer, and efficient vehicles/equipment without incurring significant capital outlay for the purchase of new(er) vehicles/equipment
- City currently utilizes approximately 135 vehicles leased from Enterprise pursuant to the Agreement in order to carry out and perform various necessary City functions
- Current Agreement’s 5-year term runs through November 2022 and the total cost for leasing vehicles necessary for City operations is currently projected to exceed the \$3,548,125 maximum amount previously authorized by the City by end of Feb 2022 (based on revised delivery schedule of 2021 order deliveries)



Fleet Overview

- City operates a fleet of approximately 400 units
 - Passenger cars, pick-ups, light, medium and heavy equipment, parks operations equipment, and large tandem trucks
- Of these 400 units, 224 are lease eligible
- At present – of the 224 lease eligible units
 - 134 units are currently leased from Enterprise
 - 17 leased units are on order, model year 2021, yet to be delivered
 - 31 units scheduled to be leased, starting in 2022
 - 42 units to remain as City owned

Expenses

- Maximum allowable expenditure under current authorization – \$3,548,125
- Anticipated total lease program expense through November 2022 - \$5,968,895...breakdown as follows;
 - \$2,946,693 Expense as of 8 August 2021
 - \$2,193,875 Projected Expense Aug 2021 - Nov 2022
 - \$544,180 Projected Expense of 2022 Additions
 - \$284,237 Contingency
- Past and Projected Vehicle Lease Program Expenditures have been approved through the budget process from 2017 - 2022

Next Steps

- Recommend Approving Proposed Ordinance Amendment (through November 2022)
- Investigate Efficacy of Current Lease/Fleet Program
 - Utilize 3rd Party Consultant to assist review of current program and provide recommendation on best practices/alternatives to acquire, maintain, & manage fleet to best meet City's current and future needs
- Fleet Options To Consider (post November 2022) include;
 - Continue w/primarily Leased Fleet
 - Convert to hybrid (Leased & Owned Fleet)
 - Convert to primarily City Owned Fleet



Questions?

