



# Commerce City

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## Council Communication File Number: Ord 2358

**Agenda Date:** 11/15/2021

**Version:** 1

**Status:** ATS Review

**In Control:** City Council

**File Type:** Ordinance

AN ORDINANCE AMENDING ORDINANCE 2143 TO INCREASE THE AUTHORIZED TOTAL EXPENDITURE AMOUNT FOR THE LEASING OF VEHICLES UNDER THE CITY'S MASTER LEASE PROGRAM AGREEMENT WITH ENTERPRISE FLEET MANAGEMENT

### **Summary and Background Information:**

In 2017, the City Council enacted Ordinance No. 2143, which authorized the City to enter into a Master Equity Lease Agreement with Enterprise FM Trust. The City currently uses approximately 135 vehicles that it has leased from Enterprise pursuant to the Agreement in order to carry out and perform various necessary City functions. The agreement was approved by Ordinance No. 2143, which provides that without further approval of the City Council, the City Manager shall not authorize any lease exceeding the maximum aggregate expenditure of \$3,548,125.

The agreement's five-year term runs through November 20, 2022, and the total cost for the leasing of vehicles necessary for City operations is currently projected to exceed the \$3,548,125 maximum amount previously authorized by the City Council. At the current spend rate, depending on delivery date of certain units, City will exceed the current cap sometime by the end of December 2021. Each year during the budget process city council approves the budget resolution which includes funding for capital outlay expenditures; however it does not extend the maximum cap that was put in place by the original ordinance.

City staff recommends that the Council amend Ordinance 2143 for the limited purpose of increasing the total authorized aggregate expenditure cap for the Enterprise vehicle lease program in the amount of \$5,968,985.79

**Staff Responsible (Department Head):** Joe Wilson, Public Works Director

**Staff Member Presenting:** David Bebak, Fleet & Facilities Manager

**Financial Impact:** Total expenditures of the lease program not to exceed \$5,968,985.79

**Funding Source:** Fleet Fund

**Staff Recommendation:** Approval.

**Suggested Motion:**

- First reading: I move to introduce and approve on first reading Ordinance 2358 by

Council as seated.

- Second reading: I move to approve Ordinance 2358 on second and final reading.