



## Agenda Item Summary

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### **Submitted By**

John P. Wielebnicki, Public Works Director

### **Reviewed By**

LKS

### **Agenda Item Title**

**A Resolution Approving a Commercial Motor Vehicle Master Lease Agreement and Amendment with Mike Albert, Ltd, for Five 2019 Nissan Leaf Electric Vehicles for Twelve Month Vehicle Lease with Mike Albert, Ltd, With the Option to Purchase, for a Twelve Month Period, with the Option to Purchase, in an Amount Not to Exceed \$124,935.20 and Authorizing their Execution**

### **Overview**

The FY2019 Fleet Replacement Fund Budget includes the replacement of five sedan vehicles. Three of the vehicles are Administration pool cars used at Village Hall and two of the vehicles are Public Works Engineering Division vehicles. The existing vehicles are proposed to be replaced with 2019 Nissan Leaf Electric Vehicles using a twelve month lease with the option to purchase.

### **Staff Recommendation**

Approve the Resolution.

### **Fiscal Impact**

Funding is provided through the Fleet Replacement Fund, accounts no. 3032-43900-101-570750 (\$84,000.00) and 3032-43900-858-570750 (\$56,000) for a total amount of \$140,000.00 for five sedan vehicles. The budget amount for each vehicles is \$28,000.00.

The five 2019 Nissan Leaf electric vehicles will be acquired through through a twelve month lease agreement, with the option to purchase, and will cost \$124,935.20. The monthly payment for each vehicle for twelve months is \$998.92 with the buyout of \$13,000.00 after twelve months. Each vehicle will cost \$24,987.04.

A twelve month lease is being used to monetize federal rebate funds that are unavailable to government agencies. The cost of an outright purchase, without the rebate, would be \$28,642.06 through a joint purchasing program. The savings to the Village utilizing the lease option is approximately \$18,275.00 total.

Funds for necessary equipment such as warning lights, 2 way radio, etc. will also come from this account but will be purchased separately from vendors who supply this equipment.

### **Background**

The new vehicles are plug in electric powered and will have the cold weather package and quick charge

option, increasing their resale desirability, and come with a three year, 36,000 mile bumper to bumper warrantee, five year 60,000 mile Corrosion warranty, eight year 100,000 mile electric component warrantee, and three year Roadside Assistance.

The vehicles being replaced are 2001 (2) & 2004 Bi Fuel Compressed Natural Gas (CNG) Chevrolet Cavaliers, and 2000 & 2005 Chevy Impalas.

Leasing companies were contacted and only two of them monetized the rebates, Mike Alberts, Ltd and Acme Auto Leasing, LLC. Leasing Associates Services, Inc. did not. Mike Alberts, Ltd provided the most favorable lease/purchase options.

Each year, the Village allocates funds for the annual replacement of vehicles. The Public Works Department manages the budget for vehicles that will replace those units having reached the end of their service life under the fleet replacement program.

The intent of the fleet replacement program is to replace vehicles and equipment using the established criteria for replacement of fleet vehicles/equipment, including age of vehicle/year purchased, mileage or hours, type of use (full time, seasonal, emergency, non-emergency, etc.), consequences of down time, maintenance history & costs, drivers evaluations, trade-in or resale values and indispensability of vehicle/equipment as a guide to guard against excessive maintenance costs and low resale values.

The Fleet Division's goal is to standardize vehicle acquisitions whenever possible in support of the fleet maintenance program and to operate the Village's fleet in a fiscally responsible manner.

The existing vehicles will be sent to Auction.

### **Alternatives**

The Board can delay action to gain additional information.

### **Previous Board Action**

The Village Board has annually approved replacement of vehicles per the approved Fleet Replacement Fund Budget.

### **Citizen Advisory Commission Action**

N/A.

### **Anticipated Future Actions/Commitments**

The Public Works Department brings vehicle replacement requests to the Village Board annually.

### **Intergovernmental Cooperation Opportunities**

None at this time.

### **Performance Management (MAP) Alignment**

This work is in alignment with the Governance Priority for the Public Works Department for Infrastructure/Capital Programs.