



MOUNTAINS RECREATION & CONSERVATION AUTHORITY

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MEMORANDUM

TO: The Governing Board

FROM:  Joseph J. Edmiston, FAICP, Hon. ASLA, Executive Officer

DATE: January 6, 2016

SUBJECT: **Agenda Item VII(g): Consideration of resolution authorizing vehicle leases.**

Staff Recommendation: That the Governing Board adopt the attached resolution authorizing up to twelve vehicle leases with Galpin Ford in a total amount not to exceed \$607,078.00, up to ten vehicle leases with Fairview Ford Sales, Inc. in a total amount not to exceed \$575,487.00, and disposal of several vehicles through a public auction process.

Background: In November, MRCA solicited bids for leases for twenty two vehicles, including three sedans, two ½ ton pickups, two one ton pickups, four 1 ton utilities, one 15 passenger van, one 1 ton stake bed truck, five medium duty utilities, two medium duty stake beds, one 2,000 gallon water truck, and one medium duty dump truck. The lease parameters on all of the vehicles are identical, have a sixty month term with no mileage restrictions, and a \$1 buyout at the end. Bids were received from four dealers. Both Galpin Ford of North Hills and Fairview Ford Sales, Inc. of San Bernardino were determined to be the lowest responsible and responsive bidders, based on costs for individual vehicles. Galpin was the lowest bidder for twelve vehicles, and Fairview for ten vehicles, as noted on the attached list of bids.

Some of the twenty two vehicles in this lease batch are replacing vehicles that have already been decommissioned and disposed of. Others will replace existing vehicles that will subsequently need to be disposed of. A couple are vehicles that we have needed and rented in the past, but in the interest of being able to quickly respond to agency needs, the decision has been made to acquire them full time. Various public agencies use a public auction process to dispose of vehicles, mobile equipment, and surplus property. Using an auction service is a common, convenient, and efficient method that ensures that MRCA receives the highest possible value for the vehicles sold. All vehicle purchases will continue to be made pursuant to the agency's Purchasing Policy.

MRCA vehicles are used for the express purpose of conducting MRCA business, and any other use is expressly prohibited by the Vehicle Usage Policy. Only

employees with a valid California Driver's License that have been put on the agency's insurance may operate MRCA vehicles. To the extent that MRCA vehicles are used for commuting to and from an employee's home, in compliance with IRS reporting rules, such use is required to be reported by the driver as taxable income.

Consideration: The total cost for all twenty-two leases over a 60 month term is \$1,182,565.00. Several of the vehicles under consideration for purchase may be eligible for grant funding sources. The execution of those particular leases would not occur until such grant funds became available.