



# MOUNTAINS RECREATION & CONSERVATION AUTHORITY

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## MEMORANDUM

TO: The Governing Board

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

DATE: March 6, 2019

SUBJECT: **Agenda Item VI(f): Consideration of resolution authorizing vehicle leases.**

Staff Recommendation: That the Governing Board adopt the attached resolution authorizing up to nineteen vehicle leases with Galpin Ford in a total amount not to exceed \$735,235.96, and disposal of several vehicles through a public auction process.

Background: In January, MRCA solicited bids for leases for nineteen vehicles, including one sedan, two midsize 4x4 trucks, six ½ ton pickups, eight 1 ton pickups, one 1 ton stake bed truck, and one 15 passenger van. 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 Merchants Fleet from New Hampshire were determined to be the lowest responsible and responsive bidder, based on costs for individual vehicles. Galpin was the lowest bidder for eighteen vehicles, and Merchants Fleet for one vehicle, as noted on the attached list of bids.

Some of the nineteen 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. 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 conduction 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.

Agenda Item VI(f)  
March 6, 2019  
Page 2

Consideration: The total cost for all nineteen leases over a 60 month term is \$735,235.96. 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.