



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/19/2020

ITEM NO: 3

DATE: May 11, 2020
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Authorize the Town Manager to Execute a Summary Vehicle Quotation to Extend the Commercial Motor Vehicle Master Lease Agreement with Mike Albert, LTD. in an Amount Not to Exceed \$3,240 for a 12-Month Lease Extension for Two Electric Vehicles, for a Total Lease Amount Not to Exceed \$63,010

RECOMMENDATION:

Authorize the Town Manager to execute a summary vehicle quotation to extend the commercial motor vehicle master lease agreement with Mike Albert, LTD. in an amount not to exceed \$3,240 for a 12-month lease extension for two electric vehicles, for a total lease amount not to exceed \$63,010.

BACKGROUND:

In 2013, the Town participated in an initiative with the Cities of San Jose, Campbell, and Mill Valley to deploy five Mitsubishi all electric vehicles (MiEVs) to lower the Town's carbon footprint in alignment with the Town's Sustainability Plan. The vehicles were secured under individual lease agreements with participating agencies through Mike Albert, LTD., a multi-partner collaboration with Mitsubishi Motors of North America. The execution of the lease concept was to remove the upfront barrier of traditional vehicle procurement.

A lease agreement was executed in March 2013 to lease five MiEVs for a 36-month period for \$192 per month per vehicle for the sum of \$34,640 over the term of the agreement. After mileage review of the MiEVs in May 2016 at the end of the lease term, Town Council approved the extension of the lease agreement for four MiEVs for 24 months at a reduced rate of \$173 per month per vehicle not to exceed \$16,600, for a total lease amount not to exceed \$51,240.

PREPARED BY: Jim Harbin
Superintendent

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, and Director of Parks and Public Works

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BACKGROUND (continued):

Upon a vehicle usage review in March 2018, a lease extension was signed for two MiEVs for 24 months at a reduced rate of \$145 per month per vehicle not to exceed \$6960 for a total lease amount not to exceed \$59,770.

DISCUSSION:

As part of the Town's Operating Budget, staff reviews annual usage of vehicles and equipment assets to determine which assets should be replaced by evaluating predetermined age and/or mileage criteria. The two electric vehicles were assigned to the Police Department as pool vehicles.

The lease agreement expired April 30, 2020 and staff reviewed mileage of both vehicles and determined the vehicles met minimum requirements for usage and should be evaluated again in 12 months. A reduced monthly rate has been negotiated for the two remaining vehicles for an additional 12-month period effective May 1, 2020 through April 30, 2021. The cost per vehicle is \$135 per month totaling \$270 per month for both vehicles, for a total amount of \$3,240 for the 12-month term of the lease.

CONCLUSION:

Authorize the Town Manager to execute a summary vehicle quotation to extend the commercial motor vehicle master lease agreement with Mike Albert, LTD. In an amount not to exceed \$3,240 for a 12-month lease extension for two electric vehicles, for a total lease amount not to exceed \$63,010.

COORDINATION:

The report has been coordinated with the Town Attorney and the Police Department.

FISCAL IMPACT:

Funds for the services for FY 2020/21 have been included in the Proposed FY 2020/21 Police Department Operating Budget. Execution of any options to continue the service in subsequent years will be contingent upon staff evaluation of the quality of the services provided, as well as the Town Council's appropriation of funding.

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ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Vehicle Quotation to extend the Commercial Motor Vehicle Master Lease Agreement
2. Commercial Motor Vehicle Master Lease Agreement