

**ROCHELLE CITY COUNCIL
AGENDA ITEM MEMO
REGULAR MEETING**

SUBJECT: Consignment Agreement with Enterprise Fleet Management Inc.

Staff Contact: Tim Isley

Summary: In 2019, Rochelle City Council approved a vehicle leasing and replacement program with Enterprise Fleet Management (EFM). This program is designed to reduce capital expenditures, vehicle repair costs, and improve vehicle reliability, safety, and resale.

January of 2020 the City began receiving new vehicles through EFM. Since then, monthly vehicle maintenance expenses and downtime have been reduced, while vehicle reliability and safety has significantly increased. As this program advances, the vehicles being replaced will be newer in age and have an increased resale value. Vehicle leasing costs will continue to decrease as we continue to sell these vehicles and build equity into the City's EFM program.

At this time, the Public Works Department has three (3) vehicles, listed in exhibit 1, that have been replaced and are ready to sell. EFM has multiple resale channels to create a competitive environment maximizing vehicle returns. No later than two (2) business days after the collection of funds for the sale of a vehicle, EFM will remit an amount equal to the vehicle's sale price minus a \$400 service fee. Proceeds from the sale of these 3 vehicles will be re-invested into the Public Works Department's leasing program to reduce the costs of current lease vehicles.

Funding Sources:

Source:	Budgeted Amount:	Proposed Expenditure:

Strategic Plan Goal Application: Maintain fiscal stability and a balanced budget.

Recommendation: Consider approving a resolution approving a consignment agreement for three (3) vehicles listed in Exhibit A with Enterprise Fleet Management Inc.