

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Matthew Fertal
Dept: City Manager
Subject: RENEWAL OF LEASE AGREEMENT FOR CAREER CRIMINAL APPREHENSION TEAM (CCAT) AND SPECIAL INVESTIGATIONS UNIT (SIU) UNDERCOVER VEHICLES

From: Kevin J. Raney
Dept: Police
Date: January 11, 2011

OBJECTIVE

To seek City Council approval to execute vehicle lease agreements between the City of Garden Grove and American Honda Finance, through Honda World, for five undercover vehicles to be used by the Career Criminal Apprehension Team (CCAT) and Special Investigations Unit (SIU).

BACKGROUND

In 1996, the Police Department began leasing four vehicles for utilization by undercover investigators assigned to SIU. Two vehicles were leased from Selman Chevrolet, and two vehicles were leased from Honda Motor Company of America. Each of the vehicles were leased for three years, which allowed undercover investigators the ability to change vehicles after three years in order to minimize recognition by criminals that were under investigation. The lease agreements were renewed in 1999 and again in 2002. Also in 2002, due to the implementation of CCAT, additional vehicles were leased. Like SIU, CCAT is a proactive plain-clothes assignment requiring unmarked vehicles that are not recognizable as police vehicles. The lease vehicles currently being used by CCAT and SIU are leased through American Honda and are set to expire in January 2011.

DISCUSSION

The utilization of lease vehicles for a three-year period has been very successful. Investigators are driving reliable vehicles that are selected to blend in with the general public. Each vehicle is leased with a 10,000 mile per year mileage allowance and each vehicle is covered with a three-year manufacturer's warranty. The dealer completes any mechanical repairs that may arise under the warranty. The possibility of repeat criminal offenders recognizing and identifying the vehicles driven by the investigators is minimized by having the ability to return the vehicle after the three year lease expires. Police staff have identified five vehicles, which will meet the operational needs of the team.

LEASE AGREEMENT FOR UNDERCOVER VEHICLES

January 11, 2011

Page 2

Bids were requested from (3) three leasing companies. Honda World, Toyota Place and Enterprise Leasing. Honda World provided a bid for (5) five similar vehicles that are currently being leased through American Honda leasing. Honda World provided a bid of \$2049.90 per month with \$3400.62 initial drive off due at signing. The vehicles would be covered with "Honda Care" which includes routine maintenance and oil changes. Toyota Place provided a bid of \$1974.00 per month with a \$2560.00 initial payment due at signing. The vehicles leased through Toyota also included "Toyota Care" covering routine maintenance and oil changes.

The third company contacted was Enterprise Leasing, which currently provides (5) five additional undercover lease vehicles. Enterprise purchases the vehicles and leases them to the City for a three-year term. Enterprise provided a bid of \$1560.60 per month with an initial payment due at signing of \$2338.73.

FISCAL IMPACT

The monthly lease amounts for the vehicles range from \$299.00 to \$329.00 per month. The five vehicles will cost \$9363.00 for the remainder of the current fiscal year and \$18,727.00 per year thereafter. This cost is below the yearly pre-approved budget amount of \$36,000.00 included in Fund 111. No additional General fund money will be required.

RECOMMENDATION

It is recommended the City Council:

- Approve awarding new three-year vehicle leasing contracts to Enterprise Leasing and authorize the Chief of Police or his designee to execute the agreements.



KEVIN J. RANEY
Chief of Police

By: 
Michael Handfield, Captain
Support Services Bureau

Recommended for Approval


Matthew Fertal
City Manager

Attachment: Vehicle Lease Comparison

Enterprise Leasing						
Plus \$2338.73 Due at Signing						
Quantity	Year	Make/Model	Total Miles Included over 3yrs.	Over Mileage Charge	Total Monthly Payment	Total Monthly Pmt Extended
1	2011	Nissan Altima	30,000	\$0.12	\$340.57	\$340.57
1	2011	Nissan Altima	30,000	\$0.12	\$340.57	\$340.57
1	2011	Nissan Xterra	30,000	\$0.12	\$310.35	\$310.35
1	2011	Nissan Xterra	30,000	\$0.12	\$310.35	\$310.35
1	2011	Nissan Frontier P/U	30,000	\$0.12	\$258.76	\$258.76
Total Monthly Cost:						\$1,560.60

Honda World Leasing						
Plus \$3400.62 Due at Signing (Includes Honda Care- Routine Maintenance and Oil Change)						
Quantity	Year	Make/Model	Total Miles Included over 3yrs.	Over Mileage Charge	Total Monthly Payment	Total Monthly Pmt Extended
1	2011	Honda Accord	30,000	\$0.12	\$298.39	\$298.39
1	2011	Honda Accord	30,000	\$0.12	\$298.39	\$298.39
1	2011	Honda Pilot	30,000	\$0.12	\$388.00	\$667.00
1	2011	Honda Pilot	30,000	\$0.12	\$388.00	\$388.00
1	2011	Honda Ridgeline	30,000	\$0.12	\$398.12	\$398.12
Total Monthly Cost:						\$2,049.90

Toyota Place Leasing						
Plus \$2560.00 Due at Signing (Includes Toyota Care- Routine Maintenance and Oil Change)						
Quantity	Year	Make/Model	Total Miles Included over 3yrs.	Over Mileage Charge	Total Monthly Payment	Total Monthly Pmt Extended
1	2011	Toyota Camry	36,000	\$0.15	\$314.00	\$314.00
1	2011	Toyota Camry	36,000	\$0.15	\$314.00	\$314.00
1	2011	Toyota Highlander	36,000	\$0.15	\$423.00	\$423.00
1	2011	Toyota Highlander	36,000	\$0.15	\$423.00	\$423.00
1	2011	Toyota Tacoma	36,000	\$0.15	\$500.00	\$500.00
Total Monthly Cost:						\$1,974.00