

Condensed Title:

Request For Approval To Award A Contract To Enterprise Leasing Company Pursuant To Invitation To Bid (ITB) No. 51-08/09, For Rental/Lease of Vehicles for the City of Miami Beach, In the Estimated Annual Amount of \$229,320.

Key Intended Outcome Supported:

Increase Resident Ratings of Public Safety Services

Supporting Data (Surveys, Environmental Scan, etc.):

Supporting Data (Surveys, Environmental Scan, etc.): According to the 2008 Community Satisfaction Survey, 79% of businesses agreed that the police was either excellent or good.

Issue:

Shall the City Commission Approve the Award of Contract?

Item Summary/Recommendation:

The purpose of this bid is to establish a contract, by means of sealed bids, to a qualified vendor(s) for Rental/Lease of Vehicles for the City of Miami Beach, up to thirty (30) rental vehicles per month on an as needed basis.

The vehicles shall be late models with low mileage, neat and clean in appearance, and in good operating condition, complete with air conditioning, automatic transmission, radio, power brakes and power steering. There will be no mileage charges, or rental charges of any nature except for refueling charges allowed on any rental. The selection of vehicles will be classified into groups for pricing purposes. From these groups, the City may choose the vehicle most suited for their line of work.


This contract shall remain in effect for a period of two (2) years from date of contract execution by the Mayor and City Clerk, and may be renewed by mutual agreement for two (2) additional years provided pricing remains the same.

On July 29, 2009, the ITB was issued with an opening date of August 31, 2009. A Pre-bid conference to provide information to prospective bidders was held on August 18, 2009. BidSync and Bidnet issued bid notices and as a result, a total of 21 and 15 (respectively) prospective bidders viewed the documentation; the result was the receipt of five (5) bids.

Based on the analysis of the bids received, the Administration recommends that the Mayor and City Commission accept the City Manager's recommendation to award a contract to Enterprise Leasing Company pursuant to Invitation to Bid (ITB) No. 51-08/09, For Rental/Lease of Vehicles for the City of Miami Beach, In the Estimated Annual Amount of \$229,320.

APPROVE THE AWARD OF CONTRACT.

Financial Information:

Source of Funds:		Amount	Account	Approved
	1.	\$194,517	011-1140-000323	
	2.	\$15,720	011-1122-000323	
	3.	\$19,083	Reimbursement from South Florida Money Laundering Task Force	
OBPI	Total	\$229,320		

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

Gus Lopez, Ext: 6641

Sign-Offs:

Department Director		Assistant City Manager		City Manager
GL	RM	CN	PDW	JMG

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MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: December 9, 2009

SUBJECT: **REQUEST FOR APPROVAL TO AWARD A CONTRACT TO ENTERPRISE LEASING COMPANY, PURSUANT TO INVITATION TO BID (ITB) NO. 51-08/09, FOR RENTAL/LEASE OF VEHICLES FOR THE CITY OF MIAMI BEACH, IN THE ESTIMATED ANNUAL AMOUNT OF \$229,320.**

ADMINISTRATION RECOMMENDATION

Approve the Award of Contracts.

FUNDING

Funds in the amount of \$229,320 are available from the budgeted account of Police Department as follows:

Police Department General Fund	Account No. 011-1140-000323	\$194,517
Police General Fund - South Pointe	Account No. 011-1122-000323	\$15,720
Reimbursement from South Florida Money Laundering Task Force		<u>\$19,083</u>
	TOTAL	\$229,320

ANALYSIS

The purpose of this bid is to establish a contract, by means of sealed bids, to a qualified vendor(s) for Rental/Lease of Vehicles for the City of Miami Beach, up to thirty (30) rental vehicles per month on an as needed basis.

The vehicles shall be late models with low mileage, neat and clean in appearance, and in good operating condition, complete with air conditioning, automatic transmission, radio, power brakes and power steering. There will be no mileage charges, or rental charges of any nature except for refueling charges allowed on any rental. The selection of vehicles will be classified into groups for pricing purposes. From these groups, the City may choose the vehicle most suited for their line of work.

This contract shall remain in effect for a period of two (2) years from date of contract execution by the Mayor and City Clerk, and may be renewed by mutual agreement for two (2) additional years provided pricing remains the same.

INSURANCE

The City of Miami Beach shall assume responsibility for the auto liability and physical damage through its self insurance program up to the limits provided for in Florida State Statutes 768.28. Any claims for physical damage to rental vehicles must be submitted in writing to the City of Miami Beach Risk Manager within thirty (30) calendar days from the return date of the vehicle(s).

The City of Miami Beach shall not be responsible for any claims submitted after the required thirty (30) calendar days. Additionally, the City of Miami Beach will not be held liable for normal wear and tear of the vehicles(s) rented under this bid.

A replacement vehicle shall be provided within the shortest time possible, not to exceed one (1) hour upon notification. When a replacement vehicle is not available within one hour, an upgrade vehicle will be supplied at no additional charge to the City. Vendor shall provide a required maintenance schedule for each vehicle within 24 hours upon delivery. The vehicle shall be completely serviced and ready for operation.

VEHICLE SPECIFICATIONS

The vehicles shall be late models with low mileage, neat and clean in appearance, and in good operating condition, complete with air conditioning, automatic transmission, radio, power brakes and power steering. There will be no mileage charges, or rental charges of any nature except for refueling charges allowed on any rental. The selection of vehicles will be classified into groups for pricing purposes. From these groups, the City may choose the vehicle most suited for their line of work.

MILEAGE LIMITATIONS

There will be no mileage charges added to this contract. Any vehicle approaching the maximum mileage limitation will be returned and a replacement vehicle shall be issued.

VEHICLE USE

The vehicles rented under this contract are intended for undercover investigation, operation and surveillance. It is understood that a situation may occur outside the control of either the City of Miami Beach or the successful bidder which may require emergency use of the vehicle.

The contractor, knowing the nature of the use of these vehicles, shall be fully aware of the requirement for confidentiality, and shall not divulge under any circumstances the identity or rental information regarding the rental of said vehicle to anyone other than the Contract Administrator assigned by the City.

MAINTENANCE

The contractor will provide all maintenance and service to keep said vehicle(s) in a safe and first class operating condition during the course of the rental. The contractor shall stipulate in writing (at the beginning of the rental period) the time periods or mileage intervals the vehicles are due for preventive maintenance should the length of the requested rental indicate same may be required during the rental period. The contractor shall make provisions for maintenance within 24-hours minimum notice.

The contractor shall state the days of the week and business hours that such maintenance and/or replacement services are available and shall state the name, location and business hours of such locations other than the bidder's premises where such services are available.

REPLACEMENTS

When a vehicle is out of service due to mechanical breakdown, repairs, accident, preventive maintenance, or any other reason that is not due to any fault or negligence of the City, the contractor shall furnish a replacement vehicle of equal or upgraded class within one (1) hour at no additional charge. Replacements with an up-graded class or model when not made at the specific request of the City will be made with no additional charges.

The contractor shall provide upon request, a replacement vehicle once a vehicle has been exposed of undercover status. These vehicles are referred to as “burned” or “hot” and can no longer be utilized effectively. The contractor shall furnish a replacement vehicle within one (1) hour regardless of inventory or stock deficiencies. The bidder shall be charged with the responsibility of obtaining a replacement vehicle and delivery at the location the “burned” vehicle is returned.

A pro-rated daily rental charge (1/30 of the monthly charge) shall be deducted from the monthly payments for any vehicle out of service for which no adequate replacement is provided for each day, or portion thereof exceeding 8 hours, that no adequate replacement is provided.

Should the City need to turn in a vehicle for any reason before the complete rental month, the contractor shall invoice on a pro-rated basis. The pro-rated basis will be determined by the monthly contract/bid rate.

EXAMPLE

Monthly contract/bid rate of \$600 = \$20 per day x 30 days.

Vehicle used for 15 days.

\$20 per day x 15 days = \$300 for the use of that vehicle.

RENTAL REQUIREMENTS

The contractor will furnish the City of Miami Beach a statement of procedures which should be followed by the user of the vehicle when they experience a mechanical problem or other inconvenience with the rental vehicle. The contractor shall avoid placing demands on the City of Miami Beach which results in lost productive work time for the user of the vehicle.

DELIVERY

A replacement vehicle shall be provided within the shortest time possible, not to exceed one (1) hour upon notification. When a replacement vehicle is not available within one (1) hour, an upgrade vehicle will be supplied at no additional charge to the City. Contractor shall provide a required maintenance schedule for each vehicle within 24 hours upon delivery. The vehicle shall be completely serviced and ready for operation.

MODIFICATION OF VEHICLES

The City may, at its own expense have the windows of any rented vehicle tinted. No charge will be levied on the City for the removal of such tinting at any time. The City may at its own expense install any electronics equipment it may deem necessary, providing said installations shall cause no permanent damage to the vehicles(s) (i.e. holes in sheet metal or dashboard area of car).

ACCEPTANCE

The vehicles shall be maintained and delivered to the City in excellent condition. If a vehicle does not meet the conditions as set forth in the Technical Specifications, the vehicle shall be returned to the contractor in exchange for a suitable vehicle.

ADVERTISING:

No emblem, logo, tag or other device or design promoting the dealer or contractor may be affixed in any manner to any vehicle delivered under this contract, except for emblems installed by manufacturer indentifying manufacturer and model.

BID PROCESS

On July 29, 2009, the ITB was issued with an opening date of August 31, 2009. A Pre-bid conference to provide information to prospective bidders was held on August 18, 2009. BidSync and Bidnet issued bid notices and as a result, a total of 21 and 15 (respectively) prospective bidders viewed the documentation; the result was the receipt of five (5) bids from the following vendors:

- ACME Auto Leasing, LLC
- Centennial Leasing and Sales
- Rent Max Inc.
- Enterprise Leasing Company
- Royal Rent A Car Systems of Florida, Inc.

On September 22, 2009, the Technical Review Panel (“the Panel”) convened to review the responsive bidder’s qualifications, experience, capability, and performance evaluations. The panel consisted of the following individuals:

- Raymond Martinez, Asst. Chief of Police, Police Department
- Andrew Terpak, Director, Fleet Management
- Eugene Rodriguez, Lieutenant, Police Department

The following table provides the bid tabulation results for all responsive bidders:

Company	Vehicle Class	Cost Per Month	Quantity	Total Annual Cost
Rent Max	Mid-Size	\$566.00	7	\$47,544.00
	Full-Size	\$566.00	7	\$47,544.00
	Truck 1/2 T Full-Size Reg Bed	\$649.95	1	\$7,799.40
	Truck-Crew Full-Size Short Bed	\$649.95	5	\$38,997.00
	CUV	\$599.00	1	\$7,188.00
	SUV Compact	\$599.95	8	\$57,595.20
	SUV Full-Size	\$649.95	1	\$7,799.40
Total			30	\$214,467.00
Enterprise	Mid-Size	\$600.00	7	\$50,400.00
	Full-Size	\$640.00	7	\$53,760.00
	Truck 1/2 T Full-Size Reg Bed	\$640.00	1	\$7,680.00
	Truck-Crew Full-Size Short Bed	\$640.00	5	\$38,400.00
	CUV	\$640.00	1	\$7,680.00
	SUV Compact	\$650.00	8	\$62,400.00
	SUV Full-Size	\$750.00	1	\$9,000.00
Total			30	\$229,320.00
Royal Rent a Car	Mid-Size	\$618.00	7	\$51,912.00
	Full-Size	\$636.00	7	\$53,424.00
	Truck 1/2 T Full-Size Reg Bed	\$772.00	1	\$9,264.00
	Truck-Crew Full-Size Short Bed	\$772.00	5	\$46,320.00
	CUV	\$636.00	1	\$7,632.00
	SUV Compact	\$636.00	8	\$61,056.00
	SUV Full-Size	\$848.00	1	\$10,176.00
Total			30	\$239,784.00

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Centennial Leasing & Sales	Mid-Size	\$645.00	7	\$54,180.00
	Full-Size	\$745.00	7	\$62,580.00
	Truck 1/2 T Full-Size Reg Bed	\$845.00	1	\$10,140.00
	Truck-Crew Full-Size Short Bed	\$845.00	5	\$50,700.00
	CUV	\$645.00	1	\$7,740.00
	SUV Compact	\$595.00	8	\$57,120.00
	SUV Full-Size	\$895.00	1	\$10,740.00
	Total			30
Acme Auto Leasing	Mid-Size	\$690.00	7	\$57,960.00
	Full-Size	\$715.00	7	\$60,060.00
	Truck 1/2 T Full-Size Reg Bed	\$695.00	1	\$8,340.00
	Truck-Crew Full-Size Short Bed	\$695.00	5	\$41,700.00
	CUV	\$815.00	1	\$9,780.00
	SUV Compact	\$695.00	8	\$66,720.00
	SUV Full-Size	\$1,250.00	1	\$15,000.00
	Total			30

After the Panel's review, and based on the analysis of the five (5) responsive bids for the Rental/Lease of Vehicles contract, the panel agreed on having site visits to see the locations and fleet of the three lowest bidders:

1. Rent Max
2. Enterprise
3. Royal Rent A Car

On November 6, 2009, the panel met for site visits at each of the three (3) different locations to see their fleet of vehicles, the panel agreed to meet on a later date for presentations and deliberations.

On November 10, 2009, the panel reconvened for presentations, and after much discussion of the major aspects to take into consideration for this contract to be successful such as: price, fleet size, vehicle condition /mileage, availability, servicing, etc. the panel determined that the lowest bidder Rent Max is not qualified to service the City of Miami Beach Police Department in their needs, because of the following factors:

- Total fleet of vehicles is 140, with 90% fleet rented at all times, 10% availability - **limited availability**
- All vehicles bought used at Manheim Auto Auction, at a mileage range between 5k to 10k and up to 35k – unknown source of background - **safety concerns**
- Half their fleet is 2007 and the other half is 2009 – **older cars – safety concerns**
- 5 years in business, no government contracts – **limited experience**
- 2 locations – **limited flexibility**

The Panel unanimously agreed to recommend the second lowest bidder, Enterprise, because of the following factors:

- Total fleet of vehicles for Enterprise Holdings (Corporate parent of Enterprise Rent-A-Car, Alamo Rent A Car and National Car Rental is 876,181 – **high availability and flexibility**
- New cars bought directly from manufacturer, 2010 fleet – **new cars – safe**
- Average fleet age 9 months, average mileage up to 16,000 before switch – **new cars - safe**
- Diverse fleet of vehicles, fuel efficient – **high flexibility**

- 6,500 locations nationwide, 3 locations in Miami Beach dedicated to account with designated contact person that will facilitate switch-outs, vehicle maintenance– **personalized service**
- Customized billing options based on specific needs – **personalized service**
- List of preferred vendors to be provided to service the vehicles at no cost to the City – **personalized service – maintenance**

Enterprise list of clients include the following agencies:

1. Miami-Dade Police Department, \$2.2 million/year
2. Miami-Dade Office of State Attorney, \$100k/year
3. City of Miami Police Department, \$1.1 million/year
4. City of Miami Gardens Police Department, \$70k/year
5. Florida City Police Department, \$40k/year
6. Southern Command, \$20k/year

COST COMPARISON WITH CURRENT CONTRACT

The Enterprise proposed annual cost is **\$229,320**, for the rental/lease of up to **30 vehicles** per month, at various monthly rates depending on the vehicle, at an average of **\$637 per vehicle** per month.

The current contract with Royal Rent A Car is for the rental/lease of vehicles of up to **28 vehicles** per month, at a monthly rate cost of **\$636.00 per vehicle**, for an annual cost of **\$228,960**.

The Enterprise mid-size car is \$36 per month lower in cost than the current contract rate with Royal (Enterprise - \$630/month; Royal \$636/month). The Enterprise monthly rates for the following vehicles is \$4 per month higher than the current contract rates: full-size vehicle, ½ ton truck; crew full-size truck; and compact utility vehicle.

The results of this formal bidding process represents no increased costs when compared to the current service provider, and may in fact represent a cost savings should the Police Department's utilization of mid-size cars increase, while their utilization of other vehicles decrease.

CONCLUSION

Based on the analysis of the bids received, the Administration recommends that the Mayor and City Commission accept the City Manager's recommendation to award a contract to Enterprise Leasing Company pursuant to Invitation to Bid (ITB) No. 51-08/09, For Rental/Lease of Vehicles for the City of Miami Beach, in the estimated annual amount of \$229,320.

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