

**Manassas Park Police Department**

**Frank Jones / 703-361-1136**

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**August 3, 2010**

**CONSENT AGENDA :**

**August 17, 2010**

**SUBJECT:** Police Vehicle Lease/Purchase

**AGENDA ITEM**

**BACKGROUND:**

The Manassas Park Police Department is requesting authorization to order and purchase (6) six police vehicles. These vehicles scheduled for replacement have been identified as a currently funded project in the approved 2010-2011 budgets with additional funding being provided from narcotics forfeit and seizures collections. Sheehy Ford maintains the current Virginia State Government contract and offers a 3-year lease/purchase and financing program. We have been informed, if we order the vehicles within the next several weeks we could expect delivery in a short period of time. This would avoid possible delays with shipment and delivery of vehicles ordered at a later date.

**DISCUSSION:**

The purchase of new vehicles will help with replacing many of our aging and high mileage patrol vehicles, decrease maintenance costs, and assist with enhancing the delivery of services throughout the City. There has been no recent replacement of police vehicles within the past several years and we now consider this request a priority. All of the six vehicles scheduled to be replaced range from eight to ten years in age. A well-maintained and equipped fleet of patrol vehicles is critical and cost effective when performing day-to-day and emergency police operations. Aging police vehicles, such as the ones scheduled for replacement, experience increased out-of-service time and maintenance problems under the stress of normal police operations. We can alleviate anticipated maintenance problems and address our police vehicle needs for the next few years by purchasing these vehicles. If this request is approved, we would not anticipate the need for purchasing any additional police vehicle until FY 2013.

The dealer is currently expecting the arrival of several 2010 Ford Police Patrol Vehicles. The vehicles are listed on the state government contract. The estimated annual cost (three year lease/purchase) of all vehicles, completely equipped with accessories is estimated at \$92,600.

**ANALYSIS:**

We have been in contact with the Ford Motor Credit Company and identified a Lease/Purchase plan that would reduce our immediate cost by financing the project over a (3) three-year period. At term end the municipality will purchase the vehicles and equipment for \$1.

The following is a break down of the finance proposal for the purchase of these vehicles:

**2010 Vehicle Purchase Payment Plan:**

<u>Number of Annual Payments</u>	<u>Payment Timing</u>	<u>A.P.R.</u>	<u>Amount</u>
3	November 2010-2012	5.35%	\$92,600

The Ford municipal lease-purchase finance plan requires no security deposit, has no prepayment penalty or hidden fees. The program is non-recourse to the dealer, the same as cash from the dealer to the municipal customer. At inception the new equipment title/registration indicates the municipality as the owner, and designates Ford Motor Credit Company, as First Lienholder. At term end the municipality buys the equipment for \$1.

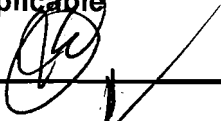
We have a police vehicle fleet that constantly needs to be upgraded. Aging vehicles and equipment create concerns regarding the efficient delivery of police services. The authorization to purchase and introduce these vehicles into our fleet immediately will have a positive impact on our operations. The Ford Motor Company lease-purchase plan provides us with a cost effective method to meet our goal of a well-maintained and safe vehicle fleet.

**RECOMMENDATION:**

**Option 1:** (Three Year Lease/Purchase)

It is requested that approval be granted to order and pay the first of three payments in the amount of approximately \$92,600 for procurement of (6) six 2010 Police Patrol Vehicles. Delivery expected November 2010. The Finance Director has reviewed and approved this request. If this request is approved, we would not anticipate the need for purchasing any additional police vehicle until FY 2013.

**City Business License:**      **Not Applicable**

**Agenda Prepared by:** John Evans  **Date** 8/3/10

**Reviewed by Finance:** Gary Fields  **Date** 8/11/10

**Approved by City Attorney:** N/A **Date** \_\_\_\_\_

**Approved by Mayor:** Frank Jones **Date** 08/4/10