



**City of Coral Gables  
CITY COMMISSION MEETING  
April 27, 2010**

**ITEM TITLE:**

Resolution accepting the recommendation of the Chief Procurement Officer to "Piggyback" a Master Lease Agreement (MLA) with Bancorp Bank d/b/a Mears Motor Leasing Corporation from the City of Clearwater, Florida to lease-purchase City vehicles and equipment pursuant to Section 2-978 of the Procurement Code for a period running until September 30, 2013 with an option to renew for additional periods of time; further approving a waiver of the Procurement Code under Section 2-583 to authorize the addition of a four (4) year lease purchasing term; and authority for staff to utilize the Master Lease Agreement as it deems appropriate to lease-purchase vehicles and equipment.

**RECOMMENDATION OF THE CITY MANAGER:**

Approval

**BRIEF HISTORY:**

The City of Clearwater issued a Request for Proposals (RFP) 32-08 to lease-purchase vehicles and equipment from October 1, 2008 to September 30, 2013 under a Master Lease Agreement (MLA) with Bancorp Bank d/b/a Mears Motor Leasing Corporation with an option to renew for additional time periods. This lease purchase may be piggybacked by the City under Section 2-978 of the Procurement Code to allow the City to lease finance the purchase of vehicles and equipment.

The lease-purchase financing of these vehicles and equipment under the MLA, compared to a purchase with a cash outlay of the full amount that will reduce the annual funding requirement. This will enable the City to have funds available for other projects by spreading the payments for these vehicles and equipment over a three (3) or five (5) year term. Under Section 2-583, the City Commission may waive the Procurement Code to authorize a four (4) year lease term under the Master Lease Agreement (MLA). It is recommended that the Commission waive the Procurement Code to authorize a four (4) year lease term to provide greater flexibility in financing vehicles and equipment.

Under the MLA, lease payments are made quarterly. The interest rate on the MLA is fixed at the loan date and is based on the FED Statistic Rate that is tied to a fixed schedule to determine the interest rate on the loan. Attached is a breakdown of interest rates charged based on a three (3), four (4) or five (5) year lease term. The current interest rates of 3.02% for 3 years, 3.02% for 4 years and 3.15% for 5 years are very attractive compared to another lease financing program that quoted rates over 5%. The City has the option to prepay the remaining lease payments without penalty. Throughout the lease term the vehicles and equipment that are lease-purchased are titled to the City.

**FINANCIAL INFORMATION: (If Applicable)**

No.	Amount	Account No.	Source of Funds
1.	N/A	N/A	N/A
Total:	APPROVED BY:		

**APPROVED BY:**

Department Director	City Attorney	City Manager
		

**ATTACHMENT(S):**

1. Draft Resolution
2. City of Clearwater MLA
3. Amortization Schedule