



# STAFF REPORT

DATE: 10/16/2024  
TO: Honorable Mayor and City Council Members  
FROM: Public Works Department

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**2024-93**

## REQUEST FOR CITY COUNCIL ACTION

### **SUBJECT:**

PRESENTATION OF FLEET SERVICES VEHICLE PURCHASING AND LEASING PROGRAM

### **EXECUTIVE SUMMARY:**

This staff report gives the City Council an overview of Fleet Services' vehicle purchasing and lease program.

### **RECOMMENDED ACTION:**

That the City Council confirm the city's fleet program that entails a mix of owned and leased vehicles.

### **BACKGROUND & HISTORY:**

City council approved a pilot program to lease vehicles in 2016 and continue using them in subsequent years. The pilot program was successful, and the master agreement was subsequently amended to provide an alternative to purchasing city vehicles.

### **ANALYSIS:**

The City's Fleet Division under the Public Works Department is responsible for procuring and maintaining the City's vehicles to support the city's wide range of services. The City of Corona currently has a total of 410 vehicles, of which 229 are city-owned or have been directly purchased, while 181 are leased through Enterprise Fleet Management. A mix of leased and city-owned vehicles is used in all Departments within the City. When the

vehicle is ready to be replaced, the respective Department will work with the Fleet Division to assess the department's needs and decide whether to lease or purchase a vehicle based on availability, use, and the department's needs.

In 2016, the City entered into an agreement with Enterprise Fleet Management that allows the option to lease vehicles. The advantage of leasing a vehicle is that there are overall cost savings in maintenance and operational costs because the City is only using the vehicle for 4-5 years. The City can capitalize on the high resale value, which is used to reduce the cost of the next leased vehicle. The advantages of utilizing leasing vehicles and their limitations are summarized below.

Advantages:

- Vehicles could either be sourced locally or ordered from a manufacturer.
- Vehicles can be tailored or upfitted to meet all safety and compliance standards.
- Maintenance of the vehicle is included in the contract or lease price.
- Leased vehicle turnover is 4-5 years, keeping the city's fleet new and updated.
- There is an overall cost savings for leased vehicles compared to purchased ones.

Limitations:

- Not every vehicle is available for leasing.
- Some vehicles for certain types of use will not benefit from the leasing program.
- Staff assigned to the vehicle are responsible for the upkeep.

Overall, the leasing program has been a success and, therefore, staff recommends that the City Council confirm the Fleet Division's fleet program that entails a mix of owned and leased vehicles. This staff report and presentation is for receipt and file; therefore, no action is necessary.

**FINANCIAL IMPACT:**

This is merely an overview of the city's vehicle purchasing and leasing program. There is no fiscal impact associated with this action.

**ENVIRONMENTAL ANALYSIS:**

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action provides an overview of the Fleet Division's vehicle purchasing and leasing program. Since there is no possibility that this action will have a significant effect on the environment, no environmental analysis is required.

**PREPARED BY:** MICHAEL GRIESINGER, FLEET MANAGER

**REVIEWED BY:** SAVAT KHAMPHOU, PUBLIC WORKS DIRECTOR

**ATTACHMENTS:**

1. Exhibit 1 – Presentation