

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF EXEMPTING)	RESOLUTION NO. 86-643
VEHICLE LEASES FROM THE PUBLIC)	
CONTRACTING PROCEDURE FOR ONE YEAR)	Introduced by the
)	Executive Officer

WHEREAS, Metro Code Section 2.04.011(c) provides that specific contracts may be exempted from the lowest bid competitive bidding process by Board resolution, subject to the requirements of ORS 279.015(2) and ORS 279.015(5); and

WHEREAS, Pursuant to ORS 279.015(2)(a) this exemption is unlikely to encourage favoritism or substantially diminish competition for public contracts because this exemption will extend for one year a contract which was competitively bid and such extension would be appropriate regardless of who was the low bidder for the original contract; and

WHEREAS, Pursuant to ORS 279.015(2)(b) the awarding of a contract using the request for proposal process will result in substantial cost savings because of the changes in the vehicle market, as described in the Staff Report, Exhibit "A"; now, therefore,

BE IT RESOLVED,

That the contracts for leasing vehicles described in Exhibit "B" is exempted from the low bid public contracting process because the Council of the Metropolitan Service District, acting as

the Contract Review Board, finds facts in Exhibit "B" show compliance with Metro Code Section 2.04.011(c).

ADOPTED by the Council of the Metropolitan Service District
this 15th day of May, 1986.



Richard Waker, Presiding Officer

JM/srs
5442/453-5
05/01/86

STAFF REPORT

Agenda Item No. 7.1

Meeting Date May 15, 1986

CONSIDERATION OF RESOLUTION NO. 86-643 FOR THE
PURPOSE OF EXEMPTING VEHICLE LEASES FROM THE
PUBLIC CONTRACTING PROCEDURE FOR ONE YEAR

Date: May 1, 1986

Presented by: Judy Munro

FACTUAL BACKGROUND AND ANALYSIS

The purpose of this report is to outline the reasons an exemption is being requested from the public contracting procedure requiring competitive bidding.

In 1983, four compact lease cars were acquired through the competitive bid process. The lease term expires July 7, 1986, and each car has a termination value of \$3,000, which is due and payable to the leasing company upon expiration of the lease. In researching the market it was determined that because of falling gas prices the resale price of compacts has also fallen. This means that the resale value may fall short of the termination value and Metro would have to pay this short fall amount. However, each of the cars has only 33,000 miles or less for an average number of miles driven per car per year of 11,000. Therefore, the cars could be driven for another year without seriously impacting their resale due to excessive mileage.

In addition, if the lease were extended for an additional year the termination value would decrease to \$1,800 and the monthly payments would go from \$145 per car to \$128 per car, resulting in a cost savings.

A competitor to our current vendor confirms the following information:

1. Selling the cars at this time may result in a loss;
2. Prices have increased and payments would be higher if new cars were leased;
3. Extending the contract for one year would result in lower payments and a lower termination value; and
4. Driving the cars the average number of miles driven for an extra year would still keep the mileage in the moderate range and would not detract from resale next year.

If approved this action would allow the contract to be extended from July 7, 1986, to July 7, 1987, and increase the total contract sum by \$6,144.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution
No. 86-643.

JM/srs
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Ayes: Councilors Cooper, DeJardin, Frewing, Hansen, Kafoury, Kirkpatrick, Myers, Oleson, Van Bergen and Waker

Absent: Councilors Gardner and Kelley

The motion carried and the minutes were approved.

7. RESOLUTIONS

7.1 Consideration of Resolution No. 86-643, for the Purpose of Exempting Vehicle Leases from the Public Bidding Procedure for One Year

Judy Munro, Support Services Supervisor, explained that by adopting the Resolution, Metro would save money on car leasing costs. Staff had determined the leased cars could be driven another year without seriously impacting their resale value; selling the cars at this time could result in a loss due to falling gas prices; car prices had increased and payments would be higher if new cars were leased; and extending the contract another year would result in lower payments and a lower termination value. She said if the Council adopted the Resolution, the current contract could be extended from July 1986 to July 1987 and the total contract sum would be increased by \$6,144.

Motion: Councilor Van Bergen moved to adopt the Resolution and Councilor Kelley seconded the motion.

Councilor Frewing asked if it would be possible to renew the contract for one additional year. Ms. Munro said it would be possible with Council approval.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, DeJardin, Frewing, Hansen, Kafoury, Kelley, Kirkpatrick, Myers, Oleson, Van Bergen and Waker

Absent: Councilor Gardner

The motion carried and the Resolution was adopted.

7.2 Consideration of Resolution No. 86-646, for the Purpose of Amending the Pay and Classification Plans, Authorizing a New Position (Convention, Trade, and Spectator Facilities Director), and Ratifying a Variance to the Personnel Rules

Randy Boose, Personnel Officer, explained the process for classifying