

Town to lease six Fusions from Enterprise Fleet Management

By **Jim Herr** - August 16, 2018



Cheektowaga Chronicle file photo of Town vehicles.

CHEEKTOWAGA – Town councilmembers Tuesday night greenlit the acquisition of six 2019 Ford Fusions under their recently approved master agreement with Enterprise Fleet Management of Rochester.

The town will enter into a 60-month agreement for the vehicles at the cost of \$2,120.58 a month or \$127,234.80 over the life of the lease.

Representatives from Enterprise back in January presented board members a 13-year plan to replace 103 aging light and medium duty fleet vehicles with newer vehicles under 5-year, open-ended lease agreements.

The hook for many board members was the program's ability to eliminate the need for an upfront capital budget outlay and reduced fuel and maintenance costs over the life of the vehicle. Enterprise told board members that the program could save the town an estimated \$628,701 over ten years.

The cost per vehicle under this agreement comes out to \$353.43 per month or \$152.43 more than a consumer lease for a 2018 Fusion.

It is important to note that this is comparing apples to oranges as the town's lease agreement is unlike a consumer lease where mileage and wear-and-tear charges are factored in.

"What we do is take that asset, and we depreciate it based off of usage," Robert Jaworski of Enterprise Fleet Management said in January. "As a result, the town will not be susceptible to any early termination penalties, no mileage or wear-and-tear charges. The town is simply paying for the vehicle as utilized."

Enterprise will also take care of necessary maintenance on the fleet vehicles under their agreement allowing the three employees in Central Garage to eventually focus on maintaining the Police Department and Sanitation fleets. Those two departments plus Highway vehicles will remain out of the Enterprise program for the foreseeable future.

Historically, the town buys vehicles outright direct from a dealership through a bid process. Vehicles are either then driven into the ground by certain departments and later sold at auction or transferred to another department when a new vehicle is purchased.

In 2012, the town last purchased three 2013 Ford Fusions for the Police Department at a per vehicle cost of \$17,806 from Basil Ford. When factoring in the whole lease per vehicle price of \$21,205.80, the town theoretically saves \$3,399.80 per vehicle when bought outright.

“It may cost us a little bit of money up front, but we’re not going to be running older vehicles that are consistently taking repairs,” said Councilmember Timothy Meyers. “We’re going to get rid of a lot of our excess fleet and downsize our fleet.”

“We’re going to get a good return for the residuals,” said Councilmember Gerald Kaminski. “The biggest problem with owning them is that we keep them too long. By the time we get rid of a vehicle – watch the upcoming auction – some of the Crown Victorias are going to go for \$200 or \$300. These cars will be sold for us at the end of the lease.”

The proposed program also looks to replace 14 full-sized passengers vans – most belonging to the senior center. Kerry Peek, Director of Senior Services, said in January that the program makes sense from the standpoint of safety and budget.

“I like the idea that I’m not driving 12-year-old vehicles with 250,000 miles. We are carrying people, and that’s important to me, and that’s more important to our drivers,” said Ms. Peek. “Budgeted costs sound really nice because I’m not raising money or scampering around trying to pay for vehicles.”

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