




Staff Report

City of Manhattan Beach

TO: Honorable Mayor Cohen and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Bruce Moe, Finance Director 

DATE: May 19, 2009

SUBJECT: Consideration of a Resolution and Memorandum of Understanding Authorizing the City to Enter into a One Year Lease with Mini USA for the Use of Up to Ten Electric Mini Cooper Vehicles for a One Year Period

RECOMMENDATION:

Staff recommends that the City Council: a) approve the Memorandum of Understanding (MOU) for the lease and use of up to ten Mini Cooper electric vehicles for a one year period, b) adopt Resolution No. 6193 authorizing the City Manager to execute a one year lease for the Mini Cooper vehicles, and c) authorize the City Manager to execute any related documents as may be necessary to finalize the lease.

FISCAL IMPLICATION:

Each vehicle will be leased to the City for \$10 per month plus tax for a one year period (\$132 per vehicle per year) for a total 12-month cost of \$1,320 if all ten vehicles are leased. These funds can be absorbed in the current and proposed budget. Additionally, there will be minor expenses involved with installing the recharging stations which will be absorbed within current resources.

BACKGROUND:

Through Councilmember Montgomery's contacts, the City has been offered the opportunity to lease a number of all-electric powered Mini Cooper vehicles. The lease includes a charging station with each vehicle, which will be installed on City premises. Mini USA will be responsible for all maintenance of the vehicles. The City is responsible only for insuring the vehicles, damage, the cost of installing the recharging stations and the electricity used in recharging the vehicles.

DISCUSSION:

Mini USA has offered the City the opportunity to test a fleet of all-electric Mini Coopers for a one-year period. In testing these vehicles, Mini is looking for the City to provide feedback on the day-to-day drivability and report periodically on our experiences.

While the vehicle assignments have yet to be determined, we envision that a few will be assigned to specific departments for light duty use (Community Development Planning staff for site visits, Parks & Recreation for park inspections, Police for Crime Prevention/Neighborhood Watch

purposes, etc.). Additionally, depending upon their interest, vehicles may be assigned to Councilmembers or Department Heads or other staff. Because Mini is providing this opportunity in order to gather feedback on the vehicles, each car is limited to just a few drivers. Therefore, use as a pool car, serving the entire employee population, is not desirable. Additionally, because of the size and seating configuration (the cars are two-seaters with limited cargo space due to the battery), it may be of limited utility for purposes other than basic commuting and/or errands around town. However, each department typically has some functions that could be served by these vehicles.

During the lease period, Mini USA is responsible for all maintenance of the vehicles, and any mechanical failure. The City will be responsible for insuring the vehicles against loss, theft or damage. The City is self insured to \$750,000 and carries an insurance policy for claims in excess of that amount.

While the allocation of vehicles is yet to be determined, it is expected that the vehicles may be used by, or assigned to, individuals who currently receive a car allowance from the City (these individuals utilize their own vehicles when traveling on City business). Because these vehicles do not cost the City more than a minimal amount, and their use promotes environmentally friendly automobile technology and reduces Green House Gasses, staff recommends that car allowances (which range from \$200 to \$400 per month) continue to be provided during the one year period. In the event the vehicles are assigned to individuals who will be utilizing the cars for personal purposes (such as commuting) in addition to business purposes, Finance staff will collect and report any resulting taxable income to the individuals where applicable.

In order for the leases to be executed, Council needs to approve the Memorandum of Understanding MOU (Attachment A), and adopt Resolution No. 6193 authorizing the City Manager to execute all applicable documents necessary to consummate the lease.

- Attachments: A. Memorandum of Understanding
B. Resolution No. 6193

MINI

Memorandum of Understanding

MINI E Usage by City of Manhattan Beach

1. The City of Manhattan Beach, which is located at 1400 Highland Avenue, Manhattan Beach, CA 90266, agrees to lease up to ten (10) MINI E vehicles for a 1 (one) year closed-end lease through a participating MINI passenger car dealer in the Los Angeles area. The lease is expected to begin in May 2009, but will start no later than June 2009.
2. The sales transaction and delivery of the MINI E vehicles will be done through the participating MINI passenger car dealer selected by the City of Manhattan Beach, South Bay MINI.
3. The monthly lease rate for 1 (one) MINI E vehicle is \$10. All taxes, registration and delivery fees, and the sum of the lease payments at \$120 per vehicle are to be paid upon delivery.
4. MINI USA provides 1 (one) wall box (charging station) per vehicle at no cost to the City of Manhattan Beach.

MINI USA covers the costs for a standard installation of the wall box. If any additional electrical work is necessary, the City of Manhattan Beach will pay for it. The City of Manhattan Beach understands that this could be a several thousand dollars, depending on the existing infrastructure and wall box location.

5. The lease price offered to the City of Manhattan Beach in connection with this lease is below the standard lease rate offered to commercial customers of the MINI E. MINI USA and Dealer have specifically advised the City of Manhattan Beach of its concerns that the offer of such a lease rate could be construed as a gift or gratuity under applicable state or local law or regulation relating to the ethical requirements of a governmental entity or any employee or official of such governmental entity and may not be permitted under such laws. In order to induce MINI USA and Dealer to enter into this lease agreement, the City of Manhattan Beach warrants and represents the following:
 - a. The City of Manhattan Beach is authorized to enter into this lease agreement and no other legislative or executive act is required or the City of Manhattan Beach has obtained all such necessary legislative or executive acts necessary and sufficient to enter into this lease agreement.
 - b. The City of Manhattan Beach has reviewed the relevant laws, rules and regulations pertaining to the ethical conduct of government employees or officials, and believes that the lease terms for this MINI E are permitted under the laws of this state, county and municipality.
6. The MINI E vehicles are to be operated by specific, designated drivers as their primary work vehicle for the duration of the program who will submit information on the vehicles for the MINI E feedback program. The City of Manhattan Beach's representative, Bruce Moe, will serve as the

MINI

dedicated contact person for the fleet and will facilitate the gathering of information pertaining to vehicle tracking and usage.

7. The City of Manhattan Beach understands the features, operation and limitations of the MINI E as shown on www.MINI-E.com.
8. All of the MINI E vehicles used by the City of Manhattan Beach will remain in continual and high-visibility use for the duration of the agreement and the City of Manhattan Beach agrees to participate fully in the feedback program.
9. When communicating about MINI E use or the overall program, the City of Manhattan Beach will always communicate the important message that their participation in the program is one piece of BMW Group's comprehensive Project i initiative that is working to develop substantive and sustainable solutions to the future of urban transportation.

Signature Of City of Manhattan Beach
Authorized Representative

Signature Of MINI USA Authorized
Representative

Full Name (Please Print)

Full Name (Please Print)

Geoff Dolan

Richard Steinberg

Title

Title

City Manager

Manager, Aftersales and Product Strategy

Date

Date

APPROVED AS TO FORM.

By 

City Attorney

RESOLUTION NO. 6193

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO ENTER INTO AND EXECUTE LEASE AGREEMENTS AND SUCH OTHER DOCUMENTS AS ARE RELATED THERETO, WITH MINI FINANCIAL SERVICES FOR THE LEASE OF MINI ELECTRIC VEHICLES

WHEREAS, the City of Manhattan Beach (the "City") has been offered the opportunity to lease a number of all electric powered Mini vehicles for a one year period, and;

WHEREAS, said vehicles will be leased to the City by Mini Financial Services for a cost of \$10 per month plus applicable taxes and fees, and;

WHEREAS, a Resolution of the City Council authorizing the transaction and naming the authorized individuals is required by Mini Financial in order to execute the lease agreements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Manager is hereby authorized, directed and empowered for, and on behalf, of the City of Manhattan Beach and in its name, to enter into and execute a lease(s), and such other documents as are related hereto, with Mini Financial Services (MINI FS), for one or more such vehicles on such terms as may be agreed to by said person(s).

SECTION 2. MINI FS is authorized to act upon this resolution until written notice of its revocation is delivered to MINI FS.

PASSED, APPROVED and ADOPTED this 19th day of May, 2009.

Ayes:
Noes:
Absent:
Abstain:

Mayor, City of Manhattan Beach, California

ATTEST:

City Clerk

APPROVED AS TO FORM:

By 
City Attorney