



Memorandum

To: Livingston County Board of Commissioners
From: Greg Kellogg, Transportation Director
Date: 02/14/2024
Re: Resolution Authorizing an Additional 2024 Vehicle Lease for EMS – Car Pool/EMS

The Car Pool Department is requesting authorization to replace a County-owned EMS vehicle with a new lease from Enterprise Fleet Management, per the agreement authorized under Resolution 2019-09-128.

The vehicle to be replaced is a 2011 GMC Yukon XL that is scheduled for replacement in FY 2025 but was recently diagnosed with catastrophic engine damage that would require engine replacement to return the vehicle to service.

The Yukon currently has approximately 130,000 miles and will also need brake calipers, rotors, and pads replaced on all four wheels due to normal wear and tear. It was purchased under the legacy Car Pool lease program with an original replacement timeframe of 60 months (the “lease” term under the old program established the *minimum* useful life).

Car Pool obtained estimates for engine replacement from both of the County’s contracted auto repair vendors, and the lowest-cost options are as follows:

- 1) Install a remanufactured engine directly from GM that includes a 2-year, 100,000 mile warranty with a total replacement cost of \$10,452 including labor.
- 2) Install a remanufactured engine from aftermarket supplier Dahmer that includes an unlimited mileage, 3-year warranty with a total replacement cost of \$8,478 including labor.

The estimated cost of the braking system repairs is \$900 for parts if performed by the Car Pool mechanic (no charge to the department for labor).

Due to the vehicle’s age and mileage it is possible that other major components such as the transmission and 4-wheel drive system could fail prior to the vehicle’s scheduled replacement in 2025, which would require additional costly repairs.

Condering the cost of engine replacement and the significant risk of additional mechanical failures given the vehicle's age and mileage, Car Pool recommends replacing the vehicle now and disposing of the Yukon via public auction in "as-is" condition. The Kelly Blue Book Trade-in Value range for this vehicle is \$3,500-\$5,900 in "fair" running condition, which is the lowest condition rating that can be selected. In it's current inoperable condition, the actual sale price at auction is likely to be on the low end of that range or less.

Enterprise conducted a nationwide search of current dealer inventories to identify potential replacement options that meet the needs of the department with a much shorter lead time than a factory order. The best value and recommended option is a base model 2024 Chevy Traverse all-wheel drive with estimated lease payments of \$818 per month, or \$9,816 annually.

The lease term will be the standard 60-months with no mileage cap, and the department may retain the leased vehicles without penalty after the lease term has ended. The leased vehicle will be titled by Enterprise and returned to Enterprise for resale upon lease termination, with the County entitled to the remaining equity less a \$375 per vehicle remarketing fee.

If you have any questions please contact me directly at 517-540-7843.