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Staff Report for a Resolution Authorizing the City Manager to Execute Purchase Agreement(s) for the Purchase and Outfitting of 10 Police Vehicles

SUMMARY AND RECOMMENDATION

Staff recommends that the City Council approve a resolution authorizing the City Manager to execute purchase agreement(s) for the purchase and outfitting of 10 police vehicles not to exceed \$460,000. These vehicles will replace two (2) police service technician vehicles, two (2) black and white patrol vehicles and six (6) criminal investigation vehicles. The 10 vehicle purchase includes five replacement vehicles and five additions to the police fleet.

The funds to cover the purchase price will come from 690-16-003-7510. Funds in this account include the San Leandro City Council approved budget adjustment of \$300,000 for "PD-Patrol," which is outlined in Resolution 2014-046, as well as \$160,000 currently in the vehicle replacement fund.

BACKGROUND

On May 19, 2014, the San Leandro City Council adopted Resolution 2014-046, which approved numerous recommended budget adjustments. One of the recommended budget adjustments was for the Police Department in the amount of \$300,000, which the Police Department planned on using to replace part of its aging fleet.

On June 2, 2014, the San Leandro City Council adopted Resolution 2014-053 authorizing the City of San Leandro to enter into a lease/purchase agreement with any lending company in an amount not to exceed the financing rate of 4.25% for the acquisition of 10 police vehicles. The City of San Leandro Finance Department was able to secure a loan of 2.1% with PNC bank.

These resolutions and budget adjustment requests were brought forward to the City Council as a result of the state of the Police Department's fleet. At the time these resolutions were brought to the City Council, the San Leandro Police Department operated 67 vehicles throughout all of the department's divisions. Every year, funds were allocated for the purchase of replacement vehicles based on a designated replacement cycle. In addition, the City purchased and stored additional replacement vehicles (between 4 to 7 vehicles), in the event a vehicle needed immediate replacement. Purchased vehicles were stored at the City Corporation Yard until brought into service. This method kept an inventory of vehicles in stock for several years after their purchase date, which caused new vehicles to sit dormant for 3 to 4 years before the vehicle actually entered service. The City stored extra police vehicles due to the low number of police vehicles currently in service, especially when a vehicle was taken out of service for an extended period of time or was rotated out of the fleet.

Prior to the economic downturn, patrol vehicles were on a 3-year replacement cycle and non-patrol vehicles were replaced at 10 years. When operating budgets were reduced, the 3-year vehicle replacement cycle was amended to add two more years for both patrol vehicles and sedans, or 5 years and 12 years respectively. Both types of vehicles are now replaced at the end of their lifecycle and sometimes beyond their useful life. This means that Administrative/Criminal Investigations vehicles are replaced every 10 to 12 years and Patrol vehicles are replaced every 4 to 6 years. Since the institution of the expanded replacement schedule, it has become evident that the useful life of patrol vehicles is reached at approximately the 3-year mark, when mileage reaches 85,000 to 95,000 miles. Beyond this point, transmissions on patrol vehicles usually start to fail and other costly repairs make maintaining the vehicle cost prohibitive.

DISCUSSION

Staff recommends that the City Council approve the purchase of the 10 additional police vehicles, which will be built to police department specifications.

The Police Department will include local dealerships in the competitive bid process.

Fiscal Impact

In the Equipment Repair and Maintenance fund (690-16-003-7510) for FY 2014-15 there is \$460,000 to purchase and outfit these 10 vehicles. The average cost of a fully equipped patrol vehicle, with a 3-year/100,000 mile bumper-to-bumper warranty, is \$48,000, which excludes computers. The average cost of a detective vehicle with a 3-year/100,000 mile bumper-to-bumper warranty, ranges from \$25,000 to \$33,000.

Budget Authority

The fiscal year 2014-15 Equipment Repair and Maintenance fund for the Police Vehicle Leasing division, in account 690-16-003-7510 has \$460,000 of funds available for the purchase and outfitting (which excludes computers) of the 10 police vehicles.

ATTACHMENTS

- San Leandro City Council Resolution No. 2014-046

- San Leandro City Council Resolution No. 2014-053

PREPARED BY: Luis Torres, Police Captain, Police Department