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Staff Report for a Resolution Authorizing the City Manager to Execute a Purchase Agreement for the Purchase and Outfitting of 11 Police Vehicles

SUMMARY AND RECOMMENDATIONS

Staff recommends the City Council approve a resolution authorizing the City Manager to execute purchase agreement(s) for the purchase and outfitting of 11 police vehicles at a cost not to exceed \$501,148. These vehicles will replace five (5) police motorcycles, four (4) black and white patrol sedans, one (1) sedan for administration, and one (1) sedan for criminal investigations that have all reached the end of their useful lives.

Funding to cover the purchase will come from account 690-16-003-7510. Funding for this purchase includes a separate request from the Finance Department to the San Leandro City Council for a budget adjustment of carryover funds totaling \$288,058 currently in the fiscal year 2015-16 vehicle replacement fund and \$150,000 budget transfer from the vehicle replacement fund balance. The purchase is contingent upon City Council approval of the Finance budget adjustment request.

BACKGROUND

The San Leandro Police Department has 93 sworn officers and 46 professional staff. Of those staff, 48 are dedicated to patrolling San Leandro in various field assignments, while 5 are dedicated to traffic enforcement throughout the City. Scheduled replacement of vehicles at the end of their lifecycles provides for uninterrupted service delivery to the San Leandro community.

On June 2, 2014, the City Council adopted Resolution 2014-053 authorizing the City of San Leandro to enter into a lease/purchase agreement to acquire 10 police vehicles through PNC bank.

On April 6, 2015, the City Council adopted Resolutions 2015-074 and 2015-075 authorizing the City

of San Leandro to enter into a lease/purchase agreement to acquire 25 police vehicles as part of the City's vehicle replacement cycle.

On October 5, 2015, the City Council adopted Resolution 2015-173 authorizing Priority 1 Public Safety Equipment Installation, Inc. to maintain, service, and outfit all police vehicles through June 30, 2017.

Analysis

The bid estimate for the 11 Police Fleet vehicle purchase is not to exceed \$501,148, which includes projected costs for five (5) Harley Davidson motorcycles consistent with previous purchase specifications; six (6) police sedans consistent with previous purchase specifications; and all equipment, outfitting, and painting necessary to standardize the vehicles to the City's standards.

The current fleet of motorcycles reached the end of its useful life and replacement has already been deferred for two years. The last purchase of motorcycles occurred in 2009, with the oldest police motorcycle dating back to 2004. The projected cost to replace and equip these motorcycles is \$201,299, based on 2016 MSRP values. The projected total cost for five motorcycles includes a 2% increase to adjust for 2016-17 price inflation. The department has in its current fleet five (5) Harley Davidson motorcycles and will replace the current fleet with similar model Harley Davidson motorcycles.

Original replacement schedules anticipated a replacement value for motorcycles of \$21,000. This figure did not include the cost of equipping, painting, or outfitting vehicles. The department amended its cost structure to include all of these additional costs to ensure a more accurate estimate of total replacement costs in the future. Where appropriate, staff will instruct Priority 1 to salvage reusable equipment and install in new vehicles.

The bid estimate for the Police Fleet vehicle purchase also includes projected costs for four (4) Ford sedans consistent with previous purchase specifications and all equipment, outfitting, and painting necessary to standardize the vehicles to City standards. The total estimated sedan purchase is \$218,320, based on 2016 MSRP values. The projected total cost also includes a 2% increase to adjust for 2016-17 price inflation. This will replace four sedans that have high mileage and have reached end of useful life. The department has in its current fleet four (4) Ford Interceptor patrol cars due and will replace these fleet vehicles with similar model Ford sedans.

Additionally, the bid estimate for the Police Fleet vehicle purchase includes projected costs for one (1) Ford sedan for administration and one (1) Ford mid-size sedan for criminal investigations. Both vehicles have reached the end of their lifecycles and should be replaced. This estimate is consistent with previous purchase specifications and all equipment, outfitting, and painting necessary to standardize the vehicle. The total cost projection for the two sedan purchases is \$71,702, based on 2016 MSRP values. The projected total cost also includes a 2% increase to adjust for 2016-17 price inflation. The department intends to replace these vehicles with a similar Ford vehicle make and model.

The department will include local dealerships in the competitive bid process and the purchase will be coordinated through the Finance Department. The actual costs may fall below the \$501,148 limit. The City will work with Priority 1 to complete a competitive bid package, maintain all records of the bid for the department, and make them available upon request. The department maintains a list of all vehicles purchased for replacement and will update it with this acquisition, if approved.

Fiscal Impact

The Police Fleet replacement purchase for fiscal year 2016-17 will not exceed \$501,148.

The request will require no new General Fund money. The fiscal year 2016-17 Police Fleet Fund vehicle purchase account has \$72,000. The 2016-17 request for fund balance transfer would add \$150,000 from the vehicle replacement fund and 2015-16 carry over request of \$288,059 from 2015-16 PD Fleet Fund account.

Budget Authority

The fiscal year 2015-16 Equipment Repair and Maintenance Fund for the Police Fleet account # 690-16-003 has \$288,059 remaining for carry over to 2016-17. Additionally, staff is requesting fund balance transfer of \$150,000 from the vehicle replacement fund in 2016-17. This purchase is contingent upon City Council approval of these 2015-16 and 2016-17 budget adjustment requests. Staff requests the approval of this purchase request.

Attachments

None.

PREPARED BY: Scott Koll, Police Business Manager