



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Fahey and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Bruce Moe, Finance Director
Gwen Eng, General Services Manager

DATE: December 20, 2005

SUBJECT: Approval of Replacement Vehicle Purchases: a) One Parks & Recreation Pool Car Minivan in the Amount of \$27,444.71, b) One Public Works Tractor/Loader in the Amount of \$154,052.74, and c) One Police Patrol Car and Related Equipment (Not-to-Exceed \$41,000)

RECOMMENDATION:

Staff recommends that the City Council: a) award RFB #675-06 to Manhattan Beach Toyota in the amount of \$27,444.71 for the budgeted replacement of one minivan, b) award RFB #670-06 to D3 Equipment for the budgeted replacement of a tractor/loader, c) waive formal bidding per Municipal Code Section 2.36.150 (cooperative purchasing), d) award an order to Villa Ford in the amount of \$25,382.55 for a replacement patrol car, and e) appropriate \$165,293.74 from the Fleet Management Fund.

FISCAL IMPLICATION:

Minivan

Funds totaling \$30,000 are budgeted in Fiscal Year 2005-2006 Fleet Management Fund to purchase and equip the minivan.

Tractor/Loader

Funds totaling \$29,759 are budgeted in the FY 2005-2006 Fleet Management Fund to lease/purchase a tractor/loader. The determination to lease/purchase or cash purchase this piece of equipment will be made closer to the delivery date. However, in order to effect the purchase now, the remaining unbudgeted funds (\$124,293.74) need to be appropriated. If staff determines that leasing is more advantageous than an outright purchase, we will return to Council for approval.

Patrol Car

The replacement of the patrol car was unanticipated in the current fiscal year. Therefore, the funds (\$41,000) required to purchase a replacement vehicle and the usual patrol car equipment (cage, console, rear seat), need to be appropriated from the Fleet Management Fund.

BACKGROUND:

Minivan

During the FY 2005-2006 budget process, Council authorized the replacement of a minivan. The Parks & Recreation Department utilizes this vehicle as a pool car, which is used by all departments to transport groups to City authorized events and by the Parks & Recreation Department for trips and other events. A Toyota Sienna will replace unit #105 (1994 Ford Aerostar minivan), which has been surplus due to its age and condition.

Tractor/Loader

The City maintains several specialty vehicles in its fleet for public works. This vehicle is used to remove dirt, debris, and construction materials for routine maintenance of the City's infrastructure and during emergencies. The existing vehicle requires a new brake system, hydraulic pump, transmission, and body work that are estimated to cost more than the current value of the vehicle.

The Case Loader was chosen over other competitors as the most practical unit, considering reliability, cost, local repair facilities, and easily obtainable replacement parts.

Patrol Car

This fiscal year, unit #164 (with 110,000 miles) was scheduled for replacement and was to be replaced with a new unit (#142). Before this could occur, unit #167, which was scheduled for replacement in FY 2006-2007, was taken out of service due to major power train damage. Consequently, the decision was made to keep unit #164 for an additional budget cycle, remove #167 from service and salvage usable parts. Recently, unit #164, which we were anticipating retaining for one more year, was involved in a collision in pursuit of a suspect, resulting in major damage to the vehicle. The estimated repair costs for just the obvious damage is at least \$4,000, which is more than the value of the vehicle given its age and condition. This has resulted in a shortage of patrol vehicles within the Police Department and the need to purchase a replacement.

DISCUSSION:

The City purchases its vehicles by utilizing larger agencies' existing contracts, whenever practicable. This is done because the State of California, L.A. County, and other large agencies purchase in greater quantities and consequently obtain preferential pricing.

Minivan

With respect to this vehicle, no contracts were available that met the City's specifications; therefore staff solicited proposals independently. A total of six vendors were sent formal proposal requests and two responses were received. The comparison below shows total price (including sales tax).

Bid Recaps

<u>Bidder</u>	<u>Total Bid</u>
1. Manhattan Beach Toyota	\$27,444.71
2. South Bay Toyota	\$27,909.63

Based on these bids, staff recommends awarding to the lowest bidder, Manhattan Beach Toyota, for the purchase of a minivan. If this purchase is approved, the new vehicle will arrive in approximately 14 days.

Tractor/loader

Staff sent bid requests to five vendors and two responses were received. The comparison below shows total price (including sales tax and other fees).

Bid Recaps

<u>Bidder</u>	<u>Total Bid</u>
1. D3 Equipment	\$154,052.74
2. Bingham Equipment Co.	No bid

Due to the low response, staff polled the other vendors and the one main reason given for not bidding was that the local dealer is given a preferential discount for selling vehicles within their territory. As a result, obtaining competitive bids is not possible.

To ensure that the pricing we received from the bidder is fair, staff verified costing using a past (2003) State of California bid as a starting point. The basic vehicle pricing we received is consistent with that State bid, plus factored in manufacturer's price escalations. Additionally, the State had purchased twelve vehicles at that time, so the pricing was based on a higher volume than our single unit. As a result, staff is satisfied that the price is in line with current market trends, and re-bidding would not produce better results. Therefore, staff recommends that the City Council authorize the purchase of a tractor/loader for \$154,052.74 (including sales tax). If this purchase is approved, the new vehicle will arrive in 90-120 days.

As previously stated, we had originally planned on a lease/purchase financing approach to this equipment acquisition. However, in order to effect the purchase at this time, we are requesting an appropriation of the remaining amount of the full purchase price (\$124,293.74). We will be analyzing interest rate and lease market conditions in close proximity to delivery and making a final determination at that time as to what method is most cost effective (cash or lease/purchase financing). If the lease/purchase method is selected, staff will return to Council with the necessary resolutions and documents for approval.

Patrol Vehicle

On November 1, 2005, Council awarded Bid #669-06 to Villa Ford for the purchase of four budgeted replacement patrol cars. The vendor has agreed to increase the order to five vehicles at the same unit price.

If this purchase is approved, the new vehicle will arrive in approximately 120 days.