ITEM NO. 10

STAFF REPORT

CITY OF OCEANSIDE

DATE: June 20, 2007

TO: Honorable Mayor and City Councilmembers

FROM: Public Works Department

SUBJECT: **APPROVAL OF PURCHASE ORDERS FOR FIVE NEW VEHICLES AND APPROVAL OF BUDGET TRANSFERS TO FUND THEIR PURCHASE**

SYNOPSIS

Staff recommends that the City Council approve purchase orders for two new vehicles in an amount not to exceed $268,332 to San Diego Freightliner; two new vehicles in an amount not to exceed $48,856 to Downtown Ford of San Diego; and one new vehicle in an amount not to exceed $17,620 to Quality Chevrolet of San Diego. Total purchase order amounts shall not exceed $334,808. Staff also recommends that the City Council approve budget transfers from identified accounts in a total amount not to exceed $221,018 to fund Vehicle Replacement Fund shortfalls and in-house build costs, adjust the interfund charges as necessary, and authorize the Financial Services Director, or designee, to execute the purchase orders.

BACKGROUND

Each budget cycle, additions to the fleet are identified and vehicles that will meet their planned service life in years and/or miles during that budget cycle are planned for replacement. Prior to purchasing a replacement, Fleet and the department using the vehicle determine if the vehicle type is still needed; if so, whether there is a cheaper alternative available and if not, what type of vehicle is required; and finally, whether the vehicle still has any useful life.

Exhibit A lists the final three replacement vehicles and two additions to the fleet for this fiscal year.

ANALYSIS

In April 2007, bids were solicited from specialty vehicle vendors for the Class 6 (two-axle, between 19,501-26,000 lbs. gross vehicle weight rating) service bed with tool box and the Class 6 flat bed with crane. We received four bids for the Class 6 trucks. San Diego Freightliner submitted the low bid. Bids for general vehicles were extracted from the yearly State, county and municipal city contract bid lists.

Exhibit A lists the vehicles by department, vendor cost, in-house cost to field the vehicle and total vehicle cost.

FISCAL IMPACT

Exhibit B details the funding sources, by department, for the vehicle purchases.

The Engineering vehicle has a replacement shortfall of $4,365, which will be paid with a budget transfer from 101.414705.5241. Sufficient funds are available to fund the vehicle purchase.

Funding for the Police vehicle was previously approved by Council action on March 7, 2007; however, a budget transfer is needed from the General Fund to the Fleet Maintenance Fund in the amount of $40,000. These funds were authorized from the booking fees in Council action on March 7, 2007.

The Water Utilities Department is retiring four vehicles and replacing them with one Class 6 truck with a service bed and crane. A total of $92,679 was paid into the Fleet Replacement Fund for the retiring vehicles. This leaves a replacement cost shortfall for the Class 6 truck with the service bed and crane of $52,729, which will be paid by Water Utilities with a budget transfer from 711.666750.5704. The Class 6 truck with the flat bed is an addition to fleet approved in the Fiscal Year 2006-2007 budget. A budget transfer from account 721.666910.5704 in the amount of $123,000 and an additional transfer of $924 from account 721.666900.5704 is required to fund the vehicle. The third Water Utilities Department vehicle has paid sufficient replacement funds for the purchase of its replacement vehicle.

Sufficient funds are available to fund the vehicle purchases.

All budget transfers for vehicle purchases will be to Fleet Capital Account 831.416220.5704.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

Does not apply.

RECOMMENDATION

Staff recommends that the City Council approve purchase orders for two new vehicles in an amount not to exceed $268,332 to San Diego Freightliner; two new vehicles in an amount not to exceed $48,856 to Downtown Ford of San Diego; and one new vehicle in an amount not to exceed $17,620 to Quality Chevrolet of San Diego. Total purchase order amounts shall not exceed $334,808. Staff also recommends that the City Council approve budget transfers from identified accounts in a total amount not to exceed $221,018 to fund Vehicle Replacement Fund shortfalls and in-house build costs, adjust the interfund charges as necessary, and authorize the Financial Services Director, or designee, to execute the purchase orders.

PREPARED BY:

FOR

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SUBMITTED BY:

Peter A. Weiss
Interim City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Joseph Arranaga, Acting Deputy Public Works Director

Lonnie Thibodeaux, Water Utilities Director

Gary Gurley, Acting General Services Manager

Paul Bussey, Interim Financial Services Director

Exhibit A
Exhibit B

EXHIBIT A
VEHICLE PURCHASES

	VEHICLE TO BE REPL.		VENDOR (PO Needed)				
VEHICLE PURCHASED	**YEAR**	**MILEAGE**	**SAN DIEGO FREIGHTLINER**	**QUALITY CHEVROLET**	**DOWNTOWN FORD**	**In House Build**	**Total Cost**
Ford Explorer (E26)	1999	78,318			23,996	500	24,496
Total Engineering Vehicle					23,996	500	**24,496**
Ford Crown Victoria	Addition to Fleet				24,860	15,140	40,000
Total Police Vehicles					24,860	15,140	**40,000**
Class 6 Truck w/Service Bed and Crane (Replaces W159, W71, W122 & W148)	1992	82,435	144,908			500	145,408
Chev. Colorado (W172)	1997	59,901		17,620		1,457	19,077
Class 6 Truck w/Flat Bed	Addition to Fleet		123,424			500	123,924
Total Water Utilities Vehicles			268,332	17,620		2,457	**288,409**
Total All Vehicles			268,332	17,620	48,856	18,097	352,905

EXHIBIT B
FUNDING FOR VEHICLE PURCHASES

	Replacement Funds Available	Engineering 101.414705 .5241	General Fd Unallocated Fd Balance FY 06-07 (Council Action 3/7/07 #8)	Water Utilities 711.666750 .5704	Water Utilities 721.666910 .5704	Water Utilities 721.666900 .5704	Total
1 - Engineering Vehicle	20,131	4,365					24,496
1 - Police Vehicle			40,000				40,000
3 - Water Utilities Vehicles	111,756			52,729	123,000	924	288,409
Total	131,887	4,365	40,000	52,729	123,000	924	352,905