

# STAFF REPORT



ITEM NO. 9

CITY OF OCEANSIDE

DATE: September 20, 2006  
TO: Honorable Mayor and City Councilmembers  
FROM: Public Works Department  
SUBJECT: **APPROVAL OF A PURCHASE ORDER FOR NINE PATROL SEDANS FOR THE POLICE DEPARTMENT**

## SYNOPSIS

Staff recommends that the City Council approve a purchase order in an amount not to exceed \$231,900 to Villa Ford of Orange for the purchase of nine 2007 Ford Crown Victoria patrol sedans for the Police Department, and authorize the Financial Services Director or designee, to execute the purchase order; approve a budget appropriation in the amount of \$13,600 from the General Fund Unallocated Fund Balance to the Fleet Replacement Fund to complete the build-out of the vehicles; and approve the adjustment to the Garage Interfund charges to reflect the changes.

## BACKGROUND

Police patrol vehicles are scheduled to be replaced on a 48-month cycle. This purchase will replace the following six existing vehicles:

2003 Ford Crown Victoria	PD315	106,601 miles
2003 Ford Crown Victoria	PD316	99,240 miles
2003 Ford Crown Victoria	PD317	105,035 miles
2003 Ford Crown Victoria	PD318	104,668 miles
2003 Ford Crown Victoria	PD319	110,853 miles
2003 Ford Crown Victoria	PD320	99,630 miles

In addition to the above, three new addition-to-Fleet patrol sedans will be purchased.

Before 2002, the build-out of the new vehicles was paid through Maintenance and Operations (M&O) charges, not Replacement charges. M&O charges were continued for a period of 6 years, even though the vehicles were replaced every 4 years. This procedure has gradually changed over the past several buying cycles so that now each vehicle's actual finished cost is used to calculate the projected replacement cost 48 months in the future. A basic Ford Crown Victoria black-and-white can cost up to \$40,000 to build out using all new parts, including new radios and computers. Financial Services tracks all costs for capitalization expenses.

The M&O charges are established by class of vehicle and cover the cost of labor, gas, oil, maintenance, tires and repairs. Individual vehicles are not charged for service usage.

### **ANALYSIS**

The purchase of these nine vehicles will be made using the purchase agreement between Villa Ford and the City of San Diego on a "piggy-back" basis. This arrangement will save the City of Oceanside up to 10 percent of the purchase price due to volume discounts. Clipper Fleet Sales of West Covina also responded to the request for joint purchasing, but the cost per vehicle was \$2,562 higher than San Diego's.

### **FISCAL IMPACT**

The purchase order for Villa Ford is not to exceed \$231,900, which includes a per unit cost of \$23,858 plus sales tax. The six vehicles listed above are scheduled to be replaced in the FY 06-07 budget, which was approved by Council on June 21, 2006. Each of these patrol vehicles has paid enough into Fleet Replacement to be replaced and complete the build-out with either new radios and computers provided by the Police Department, or by re-using parts from the vehicles being replaced. Consequently, for these six vehicles, adequate funds are available in the current budget.

When the FY 06-07 budget was approved by Council on June 21, 2006, six new police positions with all related costs were approved. The Fleet Replacement Fund was credited with \$106,400 for three addition-to-Fleet vehicles, which allows for approximately \$35,500 for purchasing and outfitting each vehicle. As each new street-ready black-and-white is projected to cost \$40,000, it is necessary to collect an additional \$13,600 from the General Fund Unallocated Fund Balance to complete the build-out of the vehicles. Therefore, a budget appropriation is necessary in the amount of \$13,600 from the General Fund Unallocated Fund Balance to the Fleet Replacement Fund (831.416220.5704) to allow sufficient funds to purchase and outfit the three new police vehicles.

The Garage Interfund charges will be adjusted to reflect the changes to the Police Department's vehicle list at the time the vehicles go into service. The replacement portion of the Garage Interfund charges will be based on the cost of each completed vehicle plus an annual inflationary allowance of approximately 3 percent.

### **COMMISSION OR COMMITTEE REPORT**

Does not apply.

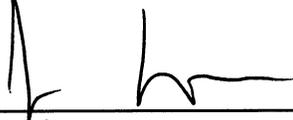
**CITY ATTORNEY'S ANALYSIS**

City Attorney analysis does not apply.

**RECOMMENDATION**

Staff recommends that the City Council approve a purchase order in an amount not to exceed \$231,900 to Villa Ford of Orange for the purchase of nine 2007 Ford Crown Victoria patrol sedans for the Police Department, and authorize the Financial Services Director or designee, to execute the purchase order; approve a budget appropriation in the amount of \$13,600 from the General Fund Unallocated Fund Balance to the Fleet Replacement Fund to complete the build-out of the vehicles; and adjust the Garage Interfund charges to reflect the changes.

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