

**REPORT TO THE
CITY COUNCIL**
City of Salinas, California

DATE: November 15, 2016

FROM: Gary E. Petersen, CAE, Public Works Director

BY: Larry Oda, Maintenance Superintendent

SUBJECT: **FLEET VEHICLE ACQUISITIONS**

RECOMMENDATION:

It is recommended that the City Council approve a resolution authorizing the direct purchase of fleet vehicles off the State of California Vehicle Contracts and from local dealerships that are within the ten percent local preference allowance in compliance with Salinas Municipal Code Article III Local Purchasing Preference.

DISCUSSION:

Capital Improvement Projects Numbers 9525 - Fleet Replacement, 9045 – CEDD Fleet Replacement, and 9598 – Street Maintenance Equipment fund the replacement of vehicles and equipment that have reached the end of their useful life. Fleet has consulted with each of the user departments to identify the most effective replacement for their vehicles and equipment.

The attached spreadsheet identifies purchases from the State of California Vehicle Contracts dealership, Winners Chevrolet and Freeway Toyota, and from local dealerships, Salinas Toyota and My Chevrolet.

The State of California, through the Department of General Services – Procurement Division, conducts a formal bid process for vehicles. City agencies may use State Contracts for their purchases (California Public Contract Code Section 10298; Salinas Municipal Code Section 12-25). Local businesses are given the opportunity to compete against State Contracts and if they are within ten percent of State pricing, the City of Salinas purchases will be made through the local businesses.

City Council has the authority to approve purchases using Salinas Municipal Code Section 12-25 (Exceptions), cooperative purchasing with other governmental agencies, and purchases that comply with Salinas Municipal Code Article III Local Purchasing Preference.

ISSUE:

Shall the City Council approve resolution authorizing the cooperative purchase of fleet vehicles from Winners Chevrolet and the direct purchase of vehicles from Salinas Toyota, a local dealership complying with the Local Purchasing Preference, at the stated prices on attached spreadsheet?

FISCAL IMPACT:

Sufficient funds are available and earmarked for equipment purchase in Fleet Replacement Capital Improvement Projects 9525, 9598, and 9045 to cover the total cost of \$90,818.

TIME CONSIDERATIONS:

Time is of the essence due to the availability of vehicles because of the model year changeover in manufacturing and delivery of this equipment. It is imperative to place the equipment order with the manufacturer before prices rise and we must wait for the 2017 models to be available.

ALTERNATIVES/IMPLICATIONS:

City Council may wish to delay the approval of these purchases, the implications of which would delay the acquisition of these vehicles to a more expensive price point.

CITY COUNCIL GOALS:

The Fleet Replacement Projects #9525, 9598 and 9045 support the City Council goal areas of Safe, Livable Community, Excellent Infrastructure, and Quality of Life through ensuring our carbon foot print is reduced by retiring old recycled police patrol vehicles with new state of the art, efficient, clean emission vehicles.

CONCLUSIONS:

The City's Fleet equipment is vital in maintaining our City and this cooperative purchase ensures that the City receives the best value. Additionally, the local purchase supports our local economy. With Council Adoption, the resolution may be used for additional vehicle purchases provided funding is appropriated and pricing remains the same.

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