



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: AUGUST 9, 2022

DEPARTMENT: ADMINISTRATION

FROM: STEVE CARRIGAN, CITY MANAGER
MARK ROBERTS, FINANCE DIRECTOR

BY: RONALD PATTERSON, FLEET & FACILITIES MANAGER
TONYA ERICKSON, POLICE SERVICES ADMINISTRATOR

TITLE: DIRECT PURCHASE OF CITY VEHICLES FOR FY 23

RECOMMENDED MOTION:

A motion to approve a Resolution authorizing the Purchasing Officer (Finance Director) to directly purchase thirty-one (31) vehicles for use by City employees for a total cost not to exceed \$1,926,622.56.

RECOMMENDATION:

Staff recommends that City Council authorize the Purchasing Officer (Finance Director) to directly purchase thirty-one (31) vehicles for use by City employees of various departments. Total cost for the vehicles shall not exceed \$1,926,622.56.

EXECUTIVE SUMMARY:

The FY 2022-23 City Budget provided funding to purchase new and replacement vehicles for use by City employees. Given current inventory and purchasing challenges, and the immediate action required to successfully purchase an available vehicle, we are asking for authorization to purchase thirty-one (31) vehicles identified as necessary by various City departments, when such vehicles can be located, provided the total cost of each vehicle does not exceed the projected not to exceed cost identified in this Report and also provided the total cost for all the vehicles does not exceed \$1,926,622.56.

BACKGROUND:

The FY 2022-23 City Budget provided funding to Departments to purchase new and replacement vehicles for use by City employees and each Department has funding available within their Department Operating and/or Capital Improvement Program (CIP) Budget. Departments have

identified new and replacement vehicle priorities based upon funding availability for FY 2022-23, and those purchases are identified in this Report.

The Salinas Plan identified the following goal related to Operational Efficiencies: “Implement a Citywide fleet strategy to centralize fleet operations, contract out non-routine fleet repair and maintenance functions, and develop fleet tracking, rightsizing, and replacement plans.” Over the last several years, the City has made steady progress toward this goal. In 2020 Public Works began performing routine repair and maintenance for Police Department vehicles, and in 2021 they began expanding services to include emergency equipment repair and installation on Police Vehicles. In 2022, Public Works began performing routine repair and maintenance on some of the Fire Department Admin vehicles. In 2021, Public Works implemented Fleetio, a fleet management software, to track and manage Citywide fleet vehicles and operations. Over the last two years, Public Works, Police and Fire have all developed Fleet Replacement Plans. In the coming months, all City Departments will be working collaboratively to develop a comprehensive City-wide Fleet Replacement Plan which will focus on standardization of vehicles, establishment of replacement cycles, cross-department utilization, and electrification of City fleet vehicles.

Over the last year, all Departments have struggled with purchasing fleet vehicles. Departments have spent significant time trying to locate or order new and replacement vehicles. Most vehicles on dealer lots, or in production, are already under contract. When vehicles do become available, dealerships have required an immediate commitment to purchase which Departments have been unable to do without City Council approval. On several occasions, vehicle orders have been placed but later canceled by the manufacturer. Given the challenge with locating available vehicles we are requesting authorization to purchase target vehicles, once located, as long as the total cost for each vehicle does not exceed the projected not to exceed amount identified in this Report and also provided the total for all the vehicles does not exceed the total amount identified in this Report.

The chart contained within this report identifies the Department/Program, target vehicle, and pricing information for each vehicle needing to be purchased. Each vehicle has a Not to Exceed (NTE) total which represents the maximum purchasing authority granted. Additionally, purchases may not exceed the total fleet-related appropriations within the FY 2022-23 City Budget. Target vehicles are identified, though substitutions to equivalently priced and equipped vehicles may be necessary due to inventory challenges. Purchases of alternate makes or models will be subject to review by the City’s Fleet Manager based upon how the vehicles fit within the City vehicle standardization framework, ability to provide internal maintenance and repair services, and projected vehicle reliability. Departments will make every effort to purchase locally, but given the market conditions and vehicle availability, that may not be possible.

All requested purchase amounts are based upon an underlying pricing source – either a quote or the publicly available State contract price. We have also incorporated the 9.25% sales tax for the City of Salinas, as well as \$1,000 to account for any potential dealer fees. The State contract price is generally well below the Manufacturers Suggested Retail Price (MSRP) price, or the price available via local dealerships, thus we are requesting authorization of a contingency amount to allow for the higher price. Additionally, the State contract price is based upon current model year which has extremely limited inventory, thus we are more likely to secure a vehicle with the next

model year. To account for an anticipated new model year price increase of up to 15%, as well as the 10% local purchasing preference, we have calculated a 25% contingency for each vehicle.

Dept/Prog	Target Vehicle	Pricing Resource	Qty	Per-Vehicle Price	Taxes & Fees	25% Contingency	NTE (Per Vehicle)
Code Enforcement	Rav 4 Hybrid	State Contract	2	27,073.00	3,504.25	7,644.31	38,221.57
Facilities	F250 Utility Body	Quote	2	42,948.00	3,980.55	11,732.14	58,660.69
Parks	Tacoma SR	State Contract	2	30,027.00	3,777.50	8,451.12	42,255.62
NPDES	Tacoma SR	State Contract	1	30,027.00	3,777.50	8,451.12	42,255.62
Public Works	F150 Standard	State Contract	2	32,490.00	4,005.33	9,123.83	45,619.16
Street Maintenance	F150 Standard	State Contract	1	32,490.00	4,005.33	9,123.83	45,619.16
Street Maintenance	F550 Flatbed	Quote	1	77,121.00	7,860.84	21,245.46	106,227.30
Street Maintenance	F650 Ford Dump	Quote	1	94,075.99	9,589.01	25,916.25	129,581.25
Street Maintenance	John Deere 310 Backhoe Loader	Quote	1	136,954.99	12,668.34	37,405.83	187,029.16
Street Maintenance	Catapiller - model CB4.4 - Asphalt Roller	Quote	1	100,827.14	9,326.51	27,538.41	137,692.06
Airport	Ford F150 Lightning (Electric)	State Contract	1	41,637.00	4,851.42	11,622.11	58,110.53
Fire	Ford F250 Utility Body	Quote	1	43,440.00	4,026.06	11,866.52	59,332.58
Fire	Chevrolet Tahoe SUV	State Contract	1	44,000.00	5,070.00	12,267.50	61,337.50
Police	Chevrolet Tahoe SUV (or alt truck)	State Contract	2	44,000.00	5,070.00	12,267.50	61,337.50
Police	RAV 4 Hybrid (or alt sedan)	State Contract	1	27,073.00	3,504.25	7,644.31	38,221.57
Police	Dodge Charger Pursuit	State Contract	1	44,350.00	5,102.38	12,363.09	61,815.47
Police	Ford Interceptor Pursuit	State Contract	10	36,226.00	4,350.91	10,144.23	50,721.13
TOTAL VEHICLES			31	NOT TO EXCEED (NTE) TOTAL			1,926,622.56

Based upon the information provided within this report, the City Council has the authority to approve this direct purchase under Salinas Municipal code Section 12-27 and without application of the local purchasing preference pursuant to Salinas Municipal Code Section 12-28.080; however, preference will be given to local vendors when such vehicles are available and within the not to exceed amounts identified in this Report.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

Approving the proposed resolution will support the City Council's Strategic Plan Goals related to Public Safety and Effective and Culturally Responsive Government.

DEPARTMENTAL COORDINATION:

Public Works and all identified Departments will collaborate on purchases, and coordinate with the Finance Departments during the purchasing process.

FISCAL AND SUSTAINABILITY IMPACT:

No additional funds are requested to support this purchase. Funds are appropriated and available within individual Department's FY 2022-23 Budgets and purchases may not exceed the total fleet-related appropriations within the FY 2022-23 City Budget. Specific accounts to be utilized include:

- Police Vehicle Replacement, 5800.40.9579.
- CDD Vehicle Replacement, 5800.30.9045
- Sanitary Sewer, 5800.50.9126
- Fleet Consolidation Replacement, 5800.50.9226
- Parks Vehicle Replacement, 5800.55.9270
- Fire Command & Staff Vehicles, 5800.45.9210
- Municipal Airport, 6100.50.5340-66.5500

ATTACHMENTS:

Resolution