

TO: James L. App, City Manager
FROM: Joseph M. Deakin, Public Works Director
SUBJECT: Vehicle Replacement List
DATE: September 17, 2002

NEEDS: For the City Council to review the vehicle bid list and direct staff on a course of action.

- FACTS:**
1. As required by State law, the City must seek the lowest possible price when purchasing in order to protect the public interest. The City Council adopted a City Purchasing and Payment Procedures Manual on August 7, 2001, describing the process for determining the best price, allowing a local vendor 1% credit for local sales tax, and directing staff to use competitive bidding to solicit prices.
 2. The Biannual Budget (FY02/03) delineates by unit cost the new and replacement vehicles and equipment (“vehicles”) to be purchased.
 3. The FY02 portion of the Biannual Budget identifies 16 vehicles to be replaced, and 4 added as new, within the City’s fleet; the FY03 portion identifies 3 replacement vehicles.
 4. Replacements identified in the budget are eligible under the adopted Vehicle and Equipment Replacement Policy; new fleet additions were reviewed within the City’s New and Expanded Services component of the budget process.
 5. On March 5, 2002, the City Council deferred the FY02 vehicle purchase, directing staff to purchase both the FY02 and FY03 vehicles together in the current fiscal year. The Council created the Vehicle Purchase Ad Hoc Committee and directed staff to meet with the Committee to discuss the purchasing process and the vehicles specified to purchase. City Council also directed staff to review current vehicle bid and purchase practices and bring back a report outlining an improved system.
 6. The Vehicle Ad Hoc Committee met with staff on April 26, 2002 and again on September 9, 2002. The Committee reviewed the Vehicle Replacement Program for FY02 and FY03 specifically, and discussed the revised Fleet Management Policy drafted by staff. The Committee generally endorsed the revisions to the Fleet Management Policy and supported the proposed replacements and new vehicles, with one exception. One Committee member does not support modifying the base vehicle standard used for Building Inspection staff.
 7. Staff is prepared to advertise for the vehicles approved by Council for purchase both the FY02 and FY03 budget line items already approved, as well as the changes requested below, as modified by Council.

**ANALYSIS
AND**

CONCLUSION: Fleet vehicles are vital to efficient, effective operations. The City provides vehicles to staff either as a dedicated assignment to an individual or to a pool of users, as a means to transport personnel, equipment and material.

The process of identifying, bidding and replacing vehicles and equipment needed extensive review and refinement. The review and refinement goals are to get the most useful equipment for City staff at the lowest possible price (as required by State law) and to make the process simple and fair. To this end, the Ad Hoc Committee and staff concentrated on two areas to refine and review: internal customer service and external customer service.

Internal Customer Service

This refers to the inner workings of City staff and Council to develop a fleet, replace vehicles to maintain efficient operations, and to make changes in the fleet composition as dictated by evolving operating needs. To inform City staff (Managers) about vehicle replacements, a vehicle questionnaire was developed and distributed to all departments. The questionnaire provides the manager with information: the vehicles scheduled for replacement or addition to the fleet, the budget for vehicles, and any other pertinent information. The manager is provided the opportunity to review the vehicle scheduled for purchase, to determine if the vehicle supports operating needs. The questionnaire, filled in by the operating department manager, passes next to the Administrative Services Department for fiscal review.

Should the operating department's requested changes affect the adopted budget, or, during the budget formation process, cause a New and Expanded service, the request would next pass to a Council Ad Hoc Committee for review. Ultimately, the vehicle list, both the scheduled replacements and the New and Expanded service requests (if any) are brought to the City Council for consideration before bids are solicited.

External Customer Service

In an effort to clarify and simplify bid procedures to all potential bidders, staff proposes changes the bid document and the bid process:

1. Two public notice ads in the newspaper two weeks apart will be posted.
2. Bids will be sent Certified-mail-return-receipt-requested to vendors (owner or designated representative) on the bidder's list.
3. The bid sheet is simplified to one page to ease bidding submission.
4. The 1% Paso Robles vendor credit for sales tax is noted in the bid package (consistent with the specified in the current purchasing policy).
5. Each bidder will be provided specifications on all vehicles and allowed to bid on any, all, or none of them.
6. Individual vehicle and equipment specifications will represent a base vehicle model. Should vendors choose to include options in their vehicle offered that exceed the "base" model, they will know that doing so does not enhance the specified vehicle – the price comparison will remain as base model only.
7. Bidders are noticed clearly that the bid prices must be valid for 90 days.

Budget Considerations

Since the FY02/03 Biennial Budget was adopted in June 2001, other needs have been identified that either modify the vehicles authorized for purchase in the approved Biennial Budget, or add to the fleet beyond the budgeted New & Expanded Services. Staff is requesting the City Council consider the following budget modifications:

1. Authorize additional expense for 2 vehicles budgeted in FY02 – (2) Inspection Vehicles (SUV), 1 replacement, 1 new (both purchases authorized); additional expense requested to upgrade both vehicles size (from compact SUV to full-size SUV).
2. Authorize redirecting funds to substitute budgeted asphalt patch truck to instead add 3 extended-cab, small pick-up trucks.

The following table provides a comprehensive review regarding budgeted vehicle purchases and requested modifications:

Vehicle #	Vehicle Description	2002 Replacement List	2002 New and Expanded	2003 Replacement List	Change to Budget	Department
640	Patrol Vehicles	X				Police
641	Patrol Vehicles	X				Police
644	Patrol Vehicles	X				Police
648	Patrol Vehicles	X				Police
649	Patrol Vehicles	X				Police
515	Small pick-up	X				Public Works
540a	Small pick-up	X				Public Works
710	Small pick-up	X				Public Works
550	Small pick-up	X				Public Works
800	1/2-ton ex. cab p/u w/ tool box	X				Public Works
555a	3/4-ton p/u with utility bed	X				Public Works
625	Police utility vehicle (DARE)	X				Police
101	Minivan	X				Community Development
114	Inspection vehicle	X			upgrade from small to large SUV	Community Development
712	Surplus Patch truck	X			surplus patch truck use 70k for 3 small trucks	Public Works
New	1/2-ton p/u with utility bed		X			Public Works
New	Police used vehicle		X			Police
New	Wastewater vector trailer		X			Public Works
New	Inspection vehicle		X		upgrade from sm to lg SUV	Community Development
319	1-ton p/u with dump & hoist			X		Public Works
721	Road broom			X		Public Works
577	Field tractor			X		Public Works

Justification for Modifications

1) The proposed upgrade to full sized inspection vehicles (upgrade 2 compact SUV to full-size SUV) will satisfy the needs of the Community Development Department's Building Division by providing adequate cargo room and cockpit capacity for the driver. Recent State mandate require the building inspectors to carry a variety of specialized equipment (ladder, traffic cones, lead testing equipment and an emergency preparedness kit) in addition to regular "tools of the trade".

2) The Public Works, Streets Division asphalt patch truck is not needed due to a change in the patching program. The program is currently done with "cold patch" in small quantities. This process is more effectively done with a small flat bed truck. The 3 additional pick-up trucks will help supplement a critical shortage of vehicles in the Buildings, Parks and Streets Divisions. The new trucks will serve transportation needs escalated by approved staff additions, and particularly, the part-time personnel additions now being utilized to satisfy seasonal labor needs.

POLICY

REFERENCE: FY02/03 Biannual Budget; City Purchase and Payment Procedures Manual.

FISCAL

IMPACT: Approximately \$12,000 from General Fund Reserves to upgrade 2 inspection vehicles.

The four-year financial plan projection update presented to the Council on June 18, 2002 indicated, assuming a worst case scenario, that the General Fund would experience a \$(1,255,000) operating loss for fiscal year 2003. Since that presentation, the Council has approved the following additional General Fund budget appropriations:

Public Safety Staffing	\$124,000
Downtown Trash Receptacles	17,000
Paso VCB Incentive Payment	66,500
City Speed Zone Survey	15,000
Downtown Fountain Fence*	10,000
Terrorism Insurance*	17,200

These additional appropriations plus this additional request for \$12,000 would increase the projected General Fund deficit to \$(1,479,700).

*9/17/02 Agenda requests subject to Council approval.

OPTIONS:

- a. Direct staff to proceed to bid with the attached vehicle/equipment replacement list included in this report and adopt Resolution No. 02-xx:
 - 1.) Appropriating \$12,000 from General Fund Reserves to Budget No. 100-710-5454-217 to upgrade SUV's for the Community Development Department (2 each, \$6,000 upgrade per vehicle);
 - 2.) Authorizing the \$70,000 allocation to replace the Public Works asphalt patch truck to be reallocated to purchasing three additional pick-up trucks;
 - 3.) Directing staff to adopt the revised bidding process and solicit bids.
- b. Amend, modify or reject the above option.

RESOLUTION NO. 02-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
APPROPRIATING FUNDS, AUTHORIZING THE RE-ALLOCATION OF FUNDS AND
DIRECTING STAFF TO ADOPT THE REVISED BIDDING PROCESS, AND SOLICIT BIDS

WHEREAS, as required by State Law, the City must seek the lowest possible price when purchasing in order to protect the public interest; and

WHEREAS, the Biannual Budget (FY02/03) delineates by unit cost the new and replacement vehicles and equipment ("vehicles") to be purchased; and

WHEREAS, the FY02 portion of the Biannual Budget identifies 16 vehicles to be replaced, and 4 added as new within the City's fleet; and

WHEREAS, the FY03 portion of the Biannual Budget identifies 3 replacement vehicles; and

WHEREAS, on March 5, 2002, the City Council deferred the FY02 vehicle purchase, directing staff to purchase both the FY02 and FY03 vehicles together in the current fiscal year, and created the Vehicle Purchase Ad Hoc Committee to review current vehicle bid and purchase practices; and

WHEREAS, the Vehicle Ad Hoc Committee met with staff on April 26, 2002 and again on September 9, 2002 to discuss the revisions to the Fleet Management Policy; and

WHEREAS, the Committee generally endorsed the proposed replacements and new vehicles with the exception of one Committee member who did not support modifying the base vehicle standard used for Building Inspection staff.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The City Council of the City of Paso Robles does hereby appropriate \$12,000 from General Fund Reserves to Budget No. 100-710-5454-217 to upgrade SUV's for the Community Development Department (2 each, \$6,000 upgrade per vehicle).

SECTION 2. The City Council of the City of Paso Robles does hereby authorize the \$70,000 allocation to replace the Public Works asphalt patch truck to be reallocated to purchase three additional pick-up trucks.

SECTION 3. The City Council of the City of Paso Robles does hereby direct staff to adopt the revised bidding process, and solicit bids.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 17th day of September 2002 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk