



# CITY OF POMONA COUNCIL REPORT

November 19, 2018

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted by: Darron Poulsen, Water Resources Director

Subject: **Adopt a Resolution Amending the FY 2018-19 Water Operating Budget by Appropriating \$359,546 from Available Water Fund Balance; and, Approve the Purchase of Vehicles from National Auto Fleet Group in the Amount of \$391,977; Utilizing SourceWell Contract Agreement Number 120716**

## OVERVIEW

### Recommendations - That the City Council:

1. Adopt a Resolution amending the FY 2018-19 Water Operating budget by appropriating \$359,546 of available Water Fund Balance (Attachment 1);
2. Approve the purchase of vehicles from National Auto Fleet Group in the amount of \$391,977, utilizing SourceWell contract agreement number 120716; and
3. Authorize the City Manager to execute any agreements necessary to complete the purchase, contingent upon City Attorney review.

**Fiscal Impact** - The total fiscal impact for the proposed action is \$391,977. \$32,431 (571-8128-66205-00000) was previously approved for FY 2017-18 and has been carried over into FY 2018-19 as part of the annual budget adoption process for unit 82014. Funding for the additional balance of \$359,546 is available from the Water Fund Balance and is recommended to be appropriated as per the attached Resolution (Attachment 1). Utilizing the SourceWell contract agreement number 120716 provides an expedited purchasing process and a competitive pricing with a price markdown ranging from \$2,000 to \$5,000. The fiscal impact for the proposed action is detailed in Table 1:

**Table 1**

<i><b>Replacement Unit Number</b></i>	<i><b>New Vehicle and Model</b></i>	<i><b>Make</b></i>	<i><b>Account Number</b></i>	<i><b>Cost</b></i>
81497	2019 Ford Fusion Hybrid		571-8122-66182-00000	\$30,680
81457	2019 Ford F-550		571-8123-66182-00000	\$164,575
81454	2019 Ford F-550		571-8124-66182-00000	\$134,241
82014	2019 Chevrolet Colorado (1/2 Ton Pick-up Truck)		571-8128-66182-00000	\$31,981
81493	2019 Ford Escape SE		571-8129-66182-00000	\$30,500
<b>Total</b>				<b>\$391,977</b>

**Previous Related Action – None**

**EXECUTIVE SUMMARY**

The recommended action will replace a total of 5 vehicles which are part of the City's Water Resources Department (WRD) fleet. All of the vehicles scheduled for replacement meet the City's adopted Vehicle Replacement Policy criteria. Most of the vehicles have substantial failure issues, are unreliable and require frequent repairs. In many instances, vehicle maintenance costs have become excessive due to age-related factors, including parts availability, emission control, and increased mechanic hours. The action will award a purchase to National Auto Fleet Group for 2 crew trucks, 1 light duty truck, 1 small sport utility vehicle, and 1 sedan hybrid vehicle in the total amount of \$391,977.

**DISCUSSION**

City vehicles are generally taken out of service when at least one of the following condition exist: the vehicle reaches the end of its useful life, the vehicle mileage reaches 100,000 miles for sedans and light duty trucks, the vehicle incurs collision damage requiring substantial repair expense relative to replacement cost, and/or when vehicle maintenance costs become inefficient due to age-related factors, including parts availability, emission control, and mechanic hours.

On April 4, 2016, the City Council adopted a revised Vehicle Replacement Policy and Procedures report establishing criteria to justify the purchase of replacement vehicles citywide. As prescribed by the Vehicle Replacement Policy and to comply with Air Quality Management District (AQMD) guidelines, WRD staff researched the availability of alternative fuel crew trucks and staff confirmed there are no alternative fuel (Compressed Natural Gas and/or electric) vehicles available for the crew trucks or the light-duty truck that meet WRD requirements. An ECO-BOOST alternative was researched and is being proposed for the small sport utility vehicle. Additionally, staff is proposing the replacement of the administration staff pool vehicle to be replaced with a hybrid (gasoline/electric) vehicle.

The 2 crew trucks and 1 light-duty truck which are recommended for replacement have exceeded their useful life by 8 years and exceed the recommended vehicle mileage of 100,000 miles. Unit 81454 has sustained complete engine failure after its 22 years of service. Unit 81457 has incurred collision damage that has rendered it more expensive to repair than to replace. The sedan recommended for replacement has reached the end of its useful life for its respective vehicle description by requiring more annual maintenance than the vehicle is worth at salvage value. The passenger van is being provided to the Public Works Department for their use and is to be replaced with a small sports utility vehicle which will better fit the needs of the Department.

It is important to note that for City fleet vehicles, the mileage does not always provide a good assessment of a vehicle's condition. City fleet vehicles are operated predominantly within the City limits and incur a lot of stop and go activities which tend to increase conventional wear. Table 2 in the following page provides details on the vehicles recommended for replacement, as they meet the required criteria under the City's Vehicle Replacement Policy and Procedure.

**Table 2**

<i><b>Unit Number</b></i>	<i><b>Vehicle Description</b></i>	<i><b>Current Vehicle</b></i>	<i><b>Mileage</b></i>
81497	Sedan (General)	2005 Grand AM	55,739
81457	Crew Truck	1996 GMC 3500	144,650
81454	Crew Truck	1996 GMC 3500	114,330
82014	Light Duty Truck	2007 Ford Ranger	124,209
81493	Passenger Van	2005 GMC Savana	60,359

The Fleet Services Manager has reviewed and approved the replacement vehicles proposed. The vehicles listed in Table 2 will be retired and turned over in preparation for auction or replacement of another vehicle in the City's fleet pool at the discretion of the Fleet Services Manager. Fleet has identified a need in the Public Works Department for a Volunteer Services Transport vehicle and recommends that unit 81493, a passenger van, be reassigned for that duty.

Pomona City Code §2-973, Cooperative Purchasing allows for the procurement of goods and services through contracts entered into by other governmental agencies that went through a competitive bid process. The National Auto Fleet Group was the lowest bidder on multiple vehicle bids and was awarded a contract under the SourceWell, Contract Agreement Number 120716, which the City can utilize. This procurement process reduces staff time developing and analyzing bids, provides competitive pricing and guarantees that the vehicles will be delivered within this fiscal year.

Prepared by: Nicholas Holden, Acting Water Utility Worker II

Attachment: Resolution