



FILED
OFFICE OF THE CITY CLERK
OAKLAND
2012 OCT 11 PM 3:00

AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Vitaly B. Troyan P.E.

SUBJECT: Police Vehicle Replacement

DATE: September 18, 2012

City Administrator
Approval

Date

10/10/12

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Staff recommends that the City Council adopt a resolution authorizing the City Administrator to appropriate Four Hundred Nineteen Thousand Six Hundred Ninety Two Dollars and Twenty Three Cents (\$419,692.23) In Interest Earnings From The 2000 and 2002 Equipment Master Lease- Purchase Agreements to fund the purchase of approximately seven marked police patrol vehicles.

The recommended resolution also authorizes the City Administrator to enter into cooperative purchase agreements with other governmental agencies to purchase the needed vehicles and equipment. If such equipment is not obtainable through cooperative purchase agreements, the City Administrator is authorized to waive the formal advertising, competitive bidding, and award to the lowest bidder requirements of the Oakland Municipal Code and to informally bid by soliciting three bids and award contracts for the purchase of the vehicles and equipment, without returning to Council.

OUTCOME

A resolution has been prepared that authorizes the City Administrator to appropriate \$419,692.23 in interest earnings from the 2002 Equipment Master Lease-Purchase Agreement to purchase approximately seven marked 2013-model year pursuit vehicles from existing cooperative purchase agreements or from the lowest responsive and responsible bidder per City of Oakland specifications without returning to Council. The vehicles cost will not exceed \$420,000.

Replacement of existing vehicles will reduce maintenance costs and increase vehicle availability as required by Oakland Police Department (OPD) for crime mitigation and community safety.

Item: 5

Finance and Management Committee
October 23, 2012

BACKGROUND/LEGISLATIVE HISTORY

The Equipment Services Division of the Public Works Agency (PWA) is responsible for the maintenance of the City's active fleet, which is comprised of 1,175 vehicles and 313 pieces of equipment. The Equipment Services Division is also responsible for working with City agencies/departments to assess annual vehicle and equipment needs. The Police Department operates approximately 227 front-line marked police cars that have seven-year life cycles and are used primarily for various patrol duties. Police vehicles have an average of 70,000 miles. Our current replacement schedule is seven years, which is 1.7 years more than the industry standard. Ninety-seven of the cars are overdue replacement even by our standards. Units retained longer than seven years experience costly repairs to engines and transmissions, resulting in increased maintenance costs and reduced availability.

In Fiscal Years 1999-2000 and 2001-03 the City Council and the Oakland Joint Powers Financing Authority approved tax-exempt, private-placement leases for \$28.8 and \$14.9 million, respectively, to finance the replacement of over-aged City-owned vehicles and equipment. As of September 2012, the City has accrued \$419,692.23 in interest income from the lease financing.

Additionally, Oakland Municipal Code ("OMC") Section 2.04.050 A requires advertising and bidding for contracts for vehicles and related equipment installation services and the award to the lowest responsible, responsive bidder. Section 2.04.050 I. 5 provides an exception to the competitive bidding requirement of the OMC upon a finding and determination by the Council that it is in the best interests of the City to do so. Staff recommends that the City Council find and determine that it is in the best interests of the City to waive further Council approval of contract award because this would delay critically needed replacement of the vehicles.

ANALYSIS

The balance of Fund 4100, the Internal Services Equipment Fund, is approximately -\$8,500,000. The negative balance results from past budget-balancing measures that exempted using departments from paying into the fund for resources that they consumed. Using departments are now paying into the fund sufficient to recover current expenditures plus approximately \$1,000,000 per year to restore the fund's balance. No funds are being collected to replace assets at the end of their life.

PUBLIC OUTREACH/INTEREST

This item did not require any additional public outreach other than the required posting on the City's website.

COORDINATION

Equipment Services prepared this report in consultation with the Treasury Office, Oakland Police Department, the City Attorney's Office and the Budget Office.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$420,000
2. COST ELEMENTS OF AGREEMENT/CONTRACT:
 - a. Purchase of vehicles: \$170,100
 - b. Addition of lighting, sirens, cages and similar equipment: \$165,500
 - c. Radios, computers and cameras: \$84,400
3. SOURCE OF FUNDING:

Funding will be derived from interest income in the Bank of New York escrow account.
4. FISCAL IMPACT:

Approval of this resolution will authorize the City Administrator to appropriate income accrued from the 2000 and 2002 Equipment Master Lease-Purchase Agreements to continue to fund the replacement of much needed police patrol vehicles. The vehicles to be purchased are replacements, therefore annual operations and maintenance costs have been programmed in the Police Department's budget.

Using the interest income to pay for police patrol vehicles currently overdue for replacement will not incur any debt and will reduce the amount for future equipment lease financing or purchasing. Funds are to be appropriated to the Equipment Fund, Equipment Administration Organization, Vehicle Replacements account (4100-30541-57612).

FISCAL/POLICY ALIGNMENT

Replacement of older vehicles optimizes the total lifecycle cost of equipment by reducing the operating expenses related to them. This achieves the best overall value for the City and frees funding for priority programs.

SUSTAINABLE OPPORTUNITIES


Economic: Purchasing vehicles for marked police patrol service optimizes the total lifecycle cost of equipment by reducing the operating expenses related to them. This achieves the best overall value for the City and frees funding for priority programs.

Environmental: Replacement of marked police vehicles will deploy up-to-date technologies that reduce fuel consumption and emissions.

Social Equity: There are no social equity advantages associated with the purchase of these police vehicles.

For questions regarding this report, please contact Ken Bailey, Equipment Services Manager, at (510) 615-5487.

Respectfully submitted,


VITALY B. TROYAN P.E.
Director, Public Works Agency

Reviewed by:
David Ferguson, Assistant Director
Department of Infrastructure & Operations

Prepared by:
Ken Bailey, Equipment Services Manager
Equipment Services Division

FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL


City Attorney

RESOLUTION NO. _____ C.M.S.

2012 OCT 11 PM 4:05

Introduced by Councilmember _____

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO: (1) APPROPRIATE FOUR HUNDRED NINETEEN THOUSAND SIX HUNDRED NINETY TWO DOLLARS AND TWENTY THREE CENTS (\$419,692.23) IN INTEREST EARNINGS FROM THE 2000 AND 2002 EQUIPMENT MASTER LEASE-PURCHASE AGREEMENTS TO FUND THE PURCHASE OF APPROXIMATELY SEVEN MARKED POLICE PATROL VEHICLES AND (2) ENTER INTO COOPERATIVE PURCHASE AGREEMENTS WITH OTHER GOVERNMENTAL AGENCIES TO PURCHASE THE NEEDED VEHICLES AND EQUIPMENT, AND IF SUCH EQUIPMENT IS NOT OBTAINABLE THROUGH COOPERATIVE PURCHASE AGREEMENTS, (3) AUTHORIZING THE WAIVER OF THE OAKLAND PURCHASING ORDINANCE'S FORMAL ADVERTISING AND COMPETITIVE BIDDING REQUIREMENTS AND ALLOWING THE CITY ADMINISTRATOR TO SOLICIT BIDS FROM THREE VENDORS AND AWARD CONTRACTS FOR THE PURCHASE OF THE VEHICLES AND EQUIPMENT, WITHOUT RETURNING TO COUNCIL

WHEREAS, The Oakland Police Department and the Equipment Services Division of the Public Works Agency have identified a need to replacement patrol vehicles; and

WHEREAS, Funding for seven new vehicles has been identified in the form of accrued interest earnings from the 2000 and 2002 equipment master lease-purchase agreements; and

WHEREAS, 97 of the 227 front-line marked police cars have exceeded their seven-year life cycles with an average of 70,000 miles each; and

WHEREAS, The Equipment Services Division will use cooperative purchasing agreements or the City's informal competitive bid process to purchase the vehicles;

WHEREAS, Oakland Municipal Code ("OMC") Section 2.04.050 A requires formal advertising and competitive bidding for purchases of vehicles and related equipment installation services and the award to the lowest responsible, responsive bidder if award is made; and

WHEREAS, Section 2.04.050 I. 5 provides an exception to the formal advertising and competitive bidding requirement of the OMC upon a finding and determination by the Council that it is in the best interests of the City to do so; now, therefore be it

RESOLVED, the Council hereby finds and determines that pursuant to OMC Section 2.04.050 I. 5 it is in the best interests of the City to waive formal advertising and competitive bidding based on the reasons and circumstances set forth in the Council Report that accompanies this Resolution; and be it

FINANCE & MANAGEMENT CMTTE

OCT 23 2012

5

FURTHER RESOLVED: that the City Administrator is authorized to appropriate four hundred nineteen thousand six hundred ninety two dollars and twenty three cents (\$419,692.23) in interest earnings from the 2000 and 2002 equipment master lease-purchase agreements to fund the purchase of approximately seven marked police patrol vehicles; and be it

FURTHER RESOLVED, That the City Administrator is authorized to enter into cooperative purchase agreements with other governmental agencies to purchase the needed vehicles and equipment; and be it

FURTHER RESOLVED, That in the event that such equipment is not obtainable through cooperative purchase agreements, the City Administrator is authorized to forego formal advertising and competitive bidding and solicit bids from three vendors and award contracts for the purchase of the vehicles and equipment, without returning to Council.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF and PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

5

FINANCE & MANAGEMENT CMTTE

OCT 23 2012