

FILED
OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND

AGENDA REPORT

2010 SEP -1 PM 12: 24

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Public Works Agency
DATE: September 14, 2010

RE: **Report and Resolution Authorizing the Waiver of the Competitive Bidding Requirements in accordance with Oakland Municipal Code 2.04.050.I.2, and enter into an Agreement with Albany Ford In An Amount Not-to-Exceed Two Hundred and Twenty Nine Thousand, Seven Hundred and Five Dollars (\$229,705) for the Purchase of Eight (8) Police Vehicles, and Appropriating Funds for the Purchase**

SUMMARY

Staff has prepared a resolution authorizing the City Council to waive the Competitive Bidding requirements, and enter into an agreement with Albany Ford for the purchase of eight police vehicles.

Staff's misinterpretation of the City's purchasing policies caused staff to prematurely order eight police vehicles without proper authority. The vehicles were delivered in June 2010, invoices are past due and Albany Ford is accruing interest charges from Ford Motor Company.

FISCAL IMPACTS

Approval of this resolution will authorize the City Administrator to enter into an agreement with Albany Ford in an amount not to exceed \$229,705 for the purchase of eight police vehicles.

The funds will be drawn from the 5th Year State Cops and ORA (Oakland Redevelopment Agency Projects) grants as follows:

- \$76,204.09, Fund 2158 – 5th Year State Cops, Organization 106110, Account 57611, Program PS01 – Administration, Project G374110 – State Cops XIII
- \$97,144.43, Fund 2158 - 5th Year State Cops, Organization 106110, Account 57611, Program PS01 – Administration, Project G403510– State Cops XIV
- \$28,178.04, Fund 7780 – ORA, Organization 107710, Account 57611, Program PS11 – Police Area 3, Project P233210 – Central City East
- \$28,178.04, Fund 7780 – ORA, Organization 107710, Account 57611, Program PS11 – Police Area 3, Project C82620 – Coliseum

Item: _____
Finance and Management Committee
September 14, 2010

BACKGROUND

On April 2010, eight police vehicles were ordered from Albany Ford. Several factors such as; newly hired staff, and misinterpretation of approval requirements contributed to the unauthorized purchase of the vehicles. Staff has been retrained on the Oracle approval processes including requisitions versus purchase order authorizations and authorized departmental limits.

It is believed that the unauthorized purchase, while not procedurally appropriate, was in keeping with the needs of the Oakland Police Department (OPD).

The City of Oakland has purchased Ford product police vehicles for OPD for over 13 years. The Ford product is believed to be most conducive to Oakland's existing fleet and the product comports with other specific requirements. In addition, one of the requirements for the purchase of Police vehicles is that the sales and serviceing dealers must be located within a specified radius of the City of Oakland's corporation yard. This requirement is critical because it mitigates additional time and unnecessary costs for vehicle transportation when routine and emergency warranty services and repairs are needed.

The Albany Ford Fleet Dealer is indeed the only dealership located nearest to the City of Oakland. If staff were to bid this purchase, Albany Ford would inevitably be the lowest responsible bidder due to their geographic location and overall costs of the vehicles. Therefore, we are requesting permission to properly purchase the police vehicles from Albany Ford.

In considering the above, staff is requesting a waiver of the competitive bidding requirements in light of Chapter 2.04.050.I-2 of the Oakland Municipal Code and permission to complete a sole source purchase of police vehicles from the closest Ford sales and services source matching the standard specifications as defined by the using agency.

KEY ISSUES AND IMPACTS

New vehicles will enable the Police Department to replace high mileage units in the current pool of 263 marked units. The average age of marked police car units is 6.7 years, normal replacement is 3 years. Replacing over-aged units is critical to further both community policing strategies and crime prevention efforts.

SUSTAINABLE OPPORTUNITIES

There are no sustainable economic, environmental, or social equity opportunities associated with this report.


DISABILITY AND SENIOR CITIZEN ACCESS

There are no disability and senior citizen access issues relevant to this report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that Council finds and determines that in accordance with Oakland Municipal Code 2.04.050.1.2, that calling for competitive bids is impracticable, unavailing or impossible and authorizes the waiver of the competitive bidding requirements, and authorizes the City Administrator to enter into an agreement with Albany Ford for the purchase of Police vehicles.

Respectfully submitted,



Vitaly B. Troyan, P.E.
Interim Public Works Agency Director

Reviewed by:
Bruce Saunders, Assistant Director
Department of Infrastructure and Operations

Prepared by:
Napoleon Campbell, Equipment Services Manager
Equipment Services Division

Attachment: Resolution

APPROVED AND FORWARDED TO THE
FINANCE & MANAGEMENT COMMITTEE:

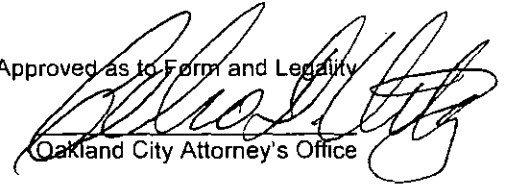


Office of the City Administrator

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FILED
OFFICE OF THE CITY CLERK
OAKLAND

Approved as to Form and Legality



Oakland City Attorney's Office

2010 SEP -2 PM 4:07 **OAKLAND CITY COUNCIL**

RESOLUTION No. _____ C.M.S.

INTRODUCED BY COUNCILMEMBER _____

RESOLUTION AUTHORIZING THE WAIVER OF THE COMPETITIVE BIDDING REQUIREMENTS IN ACCORDANCE WITH OAKLAND MUNICIPAL CODE 2.04.050.I.2, AND ENTER INTO AN AGREEMENT WITH ALBANY FORD IN AN AMOUNT NOT-TO-EXCEED TWO HUNDRED TWENTY NINE THOUSAND SEVEN HUNDRED AND FIVE DOLLARS (\$229,705) FOR THE PURCHASE OF EIGHT (8) POLICE VEHICLES, AND APPROPRIATING FUNDS FOR THE PURCHASE

WHEREAS, staff determined that eight additional police vehicles would enable the Oakland Police Department to further both it's community policing strategies and crime prevention efforts; and

WHEREAS, staff's misinterpretation of the City's purchasing policies caused eight police vehicles to be ordered pre-maturely without proper authority; and

WHEREAS, eight vehicles were delivered in June 2010, invoices are past due and Albany Ford is accruing interest charges from Ford Motor Company; and

WHEREAS, Oakland Municipal Code Sections 2.04.050.A, 2.04.050.E and 2.04.040.B.2 require staff to conduct advertising and bidding and award to the lowest bidder for services and supplies; and

WHEREAS, Oakland Municipal Code Sections 2.04.050.I.5 authorizes the City Council to waive advertising and bidding requirements upon finding that it is in the best interests of the City to do so; and

WHEREAS, it is in the City's best interests to retain the police vehicles ordered from Albany Ford because advertising and bidding would not result in local firms participating as there is no longer a Ford dealership in Oakland and the City has purchased Ford product police vehicles for OPD for over 13 years. The Ford product is believed to be most conducive to Oakland's existing fleet and the product comports with other specific requirements; and

WHEREAS, one of the requirements for the purchase of Police vehicles is that the sales and servicing dealers must be located within a specified radius of the City of Oakland's corporation yard. This requirement is critical because it mitigates additional time and unnecessary costs for vehicle transportation when routine and emergency warranty services and repairs are needed; and

WHEREAS, if staff were to bid this purchase, Albany Ford would inevitably be the lowest responsible bidder due to their geographic location and overall costs of the vehicles; now therefore, be it

RESOLVED: That pursuant to Oakland Municipal Code section 2.04.050.1.5 and for reasons stated in the City Administrator's report and stated above, the City Council finds that it is in the City's best interest to waive the advertising and request for proposal/qualification procedures for the purchase of eight police vehicles from Albany Ford, and so waives the requirements; and be it

FURTHER RESOLVED: that a contract in an amount not to exceed two hundred and twenty nine thousand, seven hundred and five dollars (\$229,705) is awarded to Albany Ford for the purchase of eight 2010 Crown Victoria police vehicles; and be it

FURTHER RESOLVED: That to pay for the said purchase, the City Administrator is authorized to draw grant funds from the 5th Year State Cops and ORA (Oakland Redevelopment Agency Projects), \$76,204.09, Fund 2158 – 5th Year State Cops, Organization 106110, Account 57611, Program PS01 – Administration, Project G374110 – State Cops XIII; \$97,144.43, Fund 2158 - 5th Year State Cops, Organization 106110, Account 57611, Program PS01 – Administration, Project G403510– State Cops XIV; \$28,178.04, Fund 7780 – ORA, Organization 107710, Account 57611, Program PS11 – Police Area 3, Project P233210 – Central City East; \$28,178.04, Fund 7780 – ORA, Organization 107710, Account 57611, Program PS11 – Police Area 3, Project C82620 – Coliseum; and be it

FURTHER RESOLVED: That the contract shall be approved for form and legality by the City Attorney's Office prior to execution and shall be placed on file in the office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES – BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California