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**OAKLAND CITY COUNCIL**

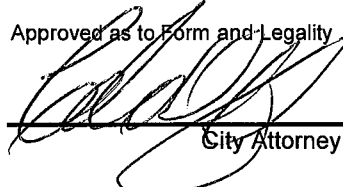
Approved as to Form and Legality

2016 SEP 15 PM 6:30

RESOLUTION No. \_\_\_\_\_

86374

C.M.S

  
\_\_\_\_\_  
City Attorney

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR AND/OR DESIGNEE WITHOUT RETURN TO COUNCIL TO: (1) NEGOTIATE AND EXECUTE A MASTER LEASE PURCHASE AGREEMENT WITH A FINANCIAL INSTITUTION SELECTED THROUGH A COMPETITIVE PROCESS IN AN AMOUNT NOT TO EXCEED ELEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$11,500,000.00) FOR A TERM NOT TO EXCEED 10-YEARS AND AN INTEREST RATE NOT TO EXCEED THREE-PERCENT (3%) TO PURCHASE VEHICLES AND RELATED EQUIPMENT FOR USE BY MULTIPLE CITY AGENCIES; (2) PURCHASE SOME OR ALL OF THE VEHICLES AND RELATED EQUIPMENT (A) VIA AGREEMENTS WITH ONE OR MORE VENDORS SELECTED THROUGH A COMPETITIVE REQUEST FOR PROPOSAL/QUALIFICATIONS PROCESS, AFTER WAIVER OF ADVERTISING AND COMPETITIVE BIDDING, OR (B) THROUGH COOPERATIVE AGREEMENTS; AND (3) ADJUST THE PUBLIC WORKS DEPARTMENT'S 2016-2017 FISCAL YEAR OPERATING BUDGET BY APPROPRIATING FUNDS AND INCREASING REVENUE AND EXPENDITURES EQUIVALENT TO THE MASTER LEASE IN AN AMOUNT NOT TO EXCEED \$11,500,000.00.**

**WHEREAS**, Oakland Public Works' Equipment Services Division is entrusted with stewardship for the acquisition, repair and maintenance of City vehicles and equipment, inclusive of public safety vehicles; and

**WHEREAS**, a large percentage of the City's fleet is aged beyond its economic life and certain assets have deteriorated to a point where the performance of certain critical public safety may soon be compromised; and

**WHEREAS**, the City currently does not have financial reserve funds on hand to purchase the direly needed replacement vehicles and equipment; and

**WHEREAS**, all of the vehicles and related equipment proposed for replacement have incurred prolonged out-of-service downtimes due to breakdowns; with replacement parts and equipment difficult to locate and acquire due to the age and industry-determined obsolete distinction of the items; and

**WHEREAS**, Oakland Public Works requests authorization to enter into a Master Lease Purchase Agreement with a financial institution to be identified and selected through a competitive bidding process for a cumulative amount not to exceed \$11,500,000.00, with a term not to exceed ten years and an interest rate not to exceed three percent (3%) for the purchase of vehicles and related equipment for use by multiple City agencies; and

**WHEREAS**, the City Council authorizes adjustments to the adopted Fiscal Years 2016-2017 Public Works Department's Operating Budget by appropriating funds and increasing revenue and expenditures equivalent to the master lease in an amount not to exceed \$11,500,000.00, and allocated to the Equipment Services Fund (4100); Equipment Services Administration Organization (30541); Capital Lease Obligation Account (58214) for principal payments; Interest on Long-Term Debt Account (58215) for interest payments, and Bank and Bond Expenditures Account (58111) for bank and bond expenses; and

**WHEREAS**, authorization is also sought for the City Administrator to execute a Purchasing Agreement with one or more vendors to be selected through the Request for Proposal/Qualifications (RFP/Q) process for the purchase of vehicles and related equipment without returning to Council; and

**WHEREAS**, authorization is also sought for the City Administrator to enter into one or more Cooperative Rate Purchase Agreements with other governmental agencies to facilitate the acquisition of the aforementioned vehicles and equipment; and

**WHEREAS**, Oakland Municipal Code (OMC) Title 2, Chapter 2, Article I, Section 2.04.051.A requires the City to conduct advertising and competitive bidding when it purchases services, supplies or a combination thereof that exceeds \$50,000.00; and

**WHEREAS**, OMC Title 2, Chapter 2, Article I, Section 2.04.051.A requires the City to conduct a competitive Request for Proposal/Qualification (RFP/Q) selection process for the procurement of certain goods and professional services; and

**WHEREAS**, in keeping with the aforementioned OMC provisions, OPW staff shall compile and issue the requisite RFP/Q for the purchase of vehicles and related equipment; and

**WHEREAS**, the City Administrator has determined, based on information provided by staff, that any service agreement(s) authorized by resolution is of a professional, technical or scientific and temporary nature and shall not result in the loss of employment or salary by any person having permanent status in the competitive service; and

WHEREAS, in May 2003 the City Council adopted its first “green fleet” policy (ratified through Authorizing Resolution No 77842 C.M.S., dated June 3, 2003) which is geared towards enhancing air quality and reducing greenhouse gas emissions throughout the region. The green fleet legislation also focuses on the purchase of alternative fuel vehicles (AFV) whenever financially possible; and

WHEREAS, in July 2007, City Council likewise adopted an Environmentally Preferable Purchasing (EPP) Policy which requires City vehicle purchasers to consider environmental attributes along with traditional purchasing factors such as performance, safety, price and local availability when making vehicle purchasing decisions; and

WHEREAS, on March 1, 2011, City Council adopted Authorizing Resolution No. 83245 C.M.S., which directed staff to perform a review of the California Environmental Quality Act (CEQA) for the draft Energy and Climate Action Plan (ECAP); with the latter in turn aimed at replacing the City’s higher emission vehicles with lower emission vehicles with alternative fuel consumption capabilities; and

WHEREAS, all of the aforementioned policy directives shall serve as the primary guidelines enlisted by Oakland Public Works’ Equipment Services Division relative to the acquisition of the City’s new fleet vehicle purchases; and

WHEREAS, the proposed contractual arrangements will assist the City of Oakland in terms of achieving and maintaining maintenance and reliability of vital public safety vehicles, fire apparatus and other essential vehicles and equipment; now, therefore be it

**RESOLVED:** That the City Council hereby authorizes the City Administrator, or designee, to negotiate and execute a Master Lease Purchase Agreement and all related documents necessary to the financing with a financial institution to be identified and selected through a competitive bidding process for a cumulative amount not to exceed \$11,500,000.00 and for a term not to exceed ten years and an interest rate not to exceed three percent (3%) for the purchase of vehicles and related equipment for use by multiple City agencies; and be it

**FURTHER RESOLVED:** That the City Council also authorizes the City Administrator, or her designee, to negotiate and execute a Purchasing Agreement with one or more vendors to be selected through the Request for Proposal/Qualifications (RFP/Q) process for the purchase of vehicles and related equipment without returning to Council; and be it

**FURTHER RESOLVED:** That the City Council also authorizes the City Administrator, or her designee, to enter into one or more Cooperative Rate Purchase Agreements with other governmental agencies to facilitate the acquisition of the aforementioned vehicles and equipment; and be it

**FURTHER RESOLVED:** that the City Council, pursuant to OMC Section 2.04.050 I. 5, hereby finds that it is in the best interests of the City to waive the advertising and competitive bidding, requirements primarily due to an time efficiencies realized in terms of time and effort expended, with staff anticipate to minimizing contract development time by a minimum of six months; and be it

**FURTHER RESOLVED:** The proposed waiver will also assist towards ensuring the identification of vendors who shall provide cost savings, baseline pricing reductions and prompt payment incentives, as set forth in the Report that accompanies this Resolution; and be it

**FURTHER RESOLVED:** That the City Council authorizes adjustments to the adopted Fiscal Years 2016-2017 Public Works Department's Operating Budget by appropriating funds and increasing revenue and expenditures equivalent to the master lease in an amount not to exceed \$11,500,000.00 and appropriated to the Equipment Services Fund (4100); Equipment Services Administration Organization (30541); Fleet Management and Maintenance Program (IN01), in a project account to be determined for the purchase of vehicles and related equipment; and be it;

**FURTHER RESOLVED:** That all proposed Master Lease Purchase Agreement debt service provisions shall be funded via rate structure and expensed by Oakland Public Works Equipment Services Fund (4100); Equipment Services Administration Organization (30541); Capital Lease Obligation Account (58214) for principal payments; Interest on Long-Term Debt Account (58215) for interest payments and Bank and Bond Expenditures Account (58111) for bank and bond expenses; and be it

**FURTHER RESOLVED:** That the City Administrator, or her designee, is hereby authorized to complete all required negotiations, certifications, assurances and documentation required to accept, modify, extend and/or amend the proposed agreement(s), except for any increase in the proposed Master Lease Purchase Agreement costs; and be it

**FURTHER RESOLVED:** That the City Attorney shall review and approve the proposed contract(s) as to form and legality, and copies of the agreement(s) shall be filed with the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, September 20, 2016

**PASSED BY THE FOLLOWING VOTE:**

AYES – BROOKS, CAMPBELL-WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, ~~REID~~ and PRESIDENT GIBSON-McELHANEY

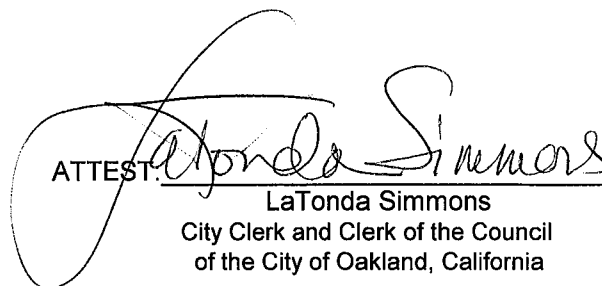
NOES - 0

ABSENT - 0

ABSTENTION - 0

*Excused Reed - 1*

ATTEST:

  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California