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**DRAFT**

City Attorney

# OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

Introduced by Councilmember \_\_\_\_\_

**A RESOLUTION AUTHORIZING: (1) THE CITY ADMINISTRATOR OR DESIGNEE TO NEGOTIATE AND EXECUTE A MASTER LEASE PURCHASE AGREEMENT (MASTER LEASE 4.0) WITH A FINANCIAL INSTITUTION SELECTED THROUGH THE COMPETITIVE BIDDING PROCESS IN AN AMOUNT NOT TO EXCEED SIXTEEN MILLION DOLLARS (\$16,000,000.00) FOR A TERM NOT TO EXCEED 10-YEARS AND AN INTEREST RATE NOT TO EXCEED FIVE PERCENT (5%) TO PURCHASE VEHICLES AND RELATED EQUIPMENT, AND**

**(2) OAKLAND PUBLIC WORKS TO PURCHASE MASTER LEASE AND NON-MASTER LEASE VEHICLES AND RELATED EQUIPMENT, WITHOUT RETURNING TO COUNCIL, THROUGH (A) AGREEMENTS WITH ONE OR MORE VENDORS SELECTED THROUGH A COMPETITIVE REQUEST FOR PROPOSAL/QUALIFICATIONS PROCESS, AND (B) WAIVER OF ADVERTISING AND COMPETITIVE BIDDING TO UTILIZE COOPERATIVE PURCHASING AGREEMENTS OR WHEN THE PURCHASE CAN ONLY BE TRANSACTED THROUGH A SOLE SOURCE AGREEMENT, AND**

**(3) AN ADJUSTMENT OF OAKLAND PUBLIC WORKS' FISCAL YEAR 2019-2020 AND 2020-2021 OPERATING BUDGETS BY APPROPRIATING FUNDS AND INCREASING REVENUE AND EXPENDITURES EQUIVALENT TO MASTER LEASE 4.0 IN AN AMOUNT OF EIGHT MILLION ONE HUNDRED THOUSAND DOLLARS (\$8,100,000.00) IN FISCAL YEAR 2019-2020 AND SEVEN MILLION NINE HUNDRED THOUSAND DOLLARS (\$7,900,000.00) IN FISCAL YEAR 2020-2021, FOR A TOTAL AMOUNT NOT TO EXCEED \$16,000,000.00, AND**

**(4) OAKLAND PUBLIC WORKS' EQUIPMENT SERVICES DIVISION TO ADD TWO (2) FULL-TIME EQUIVALENT (FTE) HEAVY EQUIPMENT MECHANICS IN FISCAL YEAR 2019-2020 TO SUPPORT PAST, CURRENT AND PROPOSED FLEET ADDITIONS WITHIN THE POLICE DEPARTMENT, FIRE DEPARTMENT, DEPARTMENT OF TRANSPORTATION AND OAKLAND PUBLIC WORKS**

**WHEREAS**, Oakland Public Works' Bureau of Maintenance & Internal Services, 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**, over half 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 reserves on hand to purchase the direly needed replacement vehicles and equipment; and

**WHEREAS**, all of the vehicles and 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 (Master Lease 4.0) with a financial institution to be identified and selected through a competitive bidding process for a cumulative amount not to exceed \$16,000,000, for a term not to exceed 10-years and an interest rate not to exceed five percent (5%) to purchase vehicles and related equipment for multiple City agencies; and

**WHEREAS**, the City Council previously authorized similar legislation relating to Master Lease purchasing provisions through adoption of Authorizing Resolution No. 86347 C.M.S., dated September 20, 2016 (Master Lease 3.0); Authorizing Resolution No. 85052 C.M.S., dated June 17, 2014 (Master Lease 2.0), and Authorizing Resolution No. 84231 C.M.S., dated March 5, 2013 (Master Lease 1.0); and

**WHEREAS**, Oakland Public Works' Equipment Services Fund (4100) has \$6,350,000 budgeted for costs associated with existing Master Lease debt service payments, as well as bank and bond service costs; and because of existing lease debts scheduled to be retired, Oakland Public Works will be able to pay for debt service costs of the proposed Master Lease 4.0 with the existing budget of \$6,350,000, resulting in no additional cost to individual departments; and

**WHEREAS**, Oakland Public Works requests that the City Council authorize adjustments to the Public Works Agency's adopted Fiscal Year 2019-2020 and 2020-2021 Operating Budgets by appropriating funds and increasing revenue and expenditures equivalent to the master lease in an amount not to exceed \$16,000,000, 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 Master Lease and non-Master Lease vehicles and related equipment, without returning to Council; and

**WHEREAS**, authorization is also sought for the City Administrator waive the Request for Proposal/Qualifications (RFP/Q) process to enter into one or more Cooperative Purchasing Agreements or Sole Source Purchasing Agreements to facilitate the acquisition of Master Lease and non-Master Lease vehicles and equipment without returning to Council; and

**WHEREAS**, Oakland Municipal Code (“OMC”) Title 2, Chapter 2, Article I, Section 2.04.051.A requires the City to conduct a competitive Request for Proposal/Qualifications (RFP/Q) selection process when it purchases services, supplies or a combination thereof that exceeds \$50,000.00; and

**WHEREAS**, OMC Section 2.04.051~~F~~.B and 2.04.050.I.5 permits the Council to waive the RFP/Q and advertising and bidding requirements upon a finding and determination that it is in the best interests of the City to do so; and

**WHEREAS**, staff recommends that the City Council, pursuant to OMC Section 2.04.051.B and 2.04.050 I.5 waives the advertising and bidding requirements for the purchase of some or all of the proposed vehicles and equipment through agreements with one or more vendors when products or services are not available locally or the pricing/circumstances are otherwise advantageous to the City; and

**WHEREAS**, staff recommends that the City Council authorize Oakland Public Works’ Equipment Services Division to add two (2) full-time equipment Heavy Equipment Mechanics in Fiscal Year 2019-2020 to support fleet additions for the Police Department, Fire Department, the Department of Transportation and Public Works’ Keep Oakland Clean and Beautiful (KOCB) Division; now, therefore be it

**RESOLVED**, That the City Council authorizes the City Administrator, or designee, to negotiate and execute a Master Lease Purchase Agreement (Master Lease 4.0) 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 \$16,000,000.00, and for a term not to exceed 10-years, and an interest rate not to exceed five percent (5.0%) to purchase vehicles and related equipment for use by multiple City agencies, without returning to Council; and be it

**FURTHER RESOLVED**, That the City Council authorizes the adjustments to the adopted Public Works Department’s FY 2019-2020 and FY 2020-2021 operating budgets by appropriating funds and increasing revenue and expenditures equivalent to the Master Lease in an amount of \$8,100,000 in FY 2019-2020 and \$7,900,000 in FY 2020-2021, for a total amount not to exceed \$16,000,000.00, and appropriated to the Equipment Services Fund (4100); Equipment Services Administration Organization (30541); in a project account to be determined for the purchase of vehicles and related equipment; and be it

**FURTHER RESOLVED**, That the City Council authorizes the City Administrator, or 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 Master Lease and non-Master Lease vehicles and related equipment without returning to Council; 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 bidding requirements, without returning to Council, for the purchase of some or all of the proposed vehicles and equipment ~~in order to ensure~~ when the City's ability is able to utilize cooperative rate purchasing agreements pursuant to OMC Section 2.04.080 and/or sole source agreements pursuant to OMC section 2.04.050.I.5, when said options are presented as the best financial (purchasing) options for the City of Oakland; and be it

**FURTHER RESOLVED**, That the City Council also authorizes the City Administrator, or designee, to enter into one or more Cooperative Purchasing Agreements or Sole Source Purchasing Agreements to facilitate the acquisition of Master Lease and non-Master Lease vehicles and equipment when not available locally or the pricing/circumstances are otherwise advantageous to the City; and be it

**FURTHER RESOLVED**, That the City Administrator is authorized to add two (2.0) FTE Heavy Equipment Mechanic positions within the Equipment Services Division to address the backlog of heavy equipment maintenance due to the increased size of the fleet, with funding for the proposed positions available in the FY 2019-2020 budget in Equipment Services Fund (4100); Equipment Services Administration Organization (30541); Administrative Project 1000010; Fleet Management and Maintenance Program IN01; and be it

**FURTHER RESOLVED**, That the City Administrator or 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 agreement(s) costs; and be it

**FURTHER RESOLVED**, That the City Attorney shall review and approve the proposed agreement(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, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO and PRESIDENT KAPLAN

NOES -

ABSENT -

ABSTENTION -

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