



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/20/2019

ITEM NO: 13

DATE: August 7, 2019
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Authorize the Town Manager to Purchase Vehicles:
a. Two Police Patrol Vehicles from Folsom Lake Ford in an Amount not to Exceed \$83,263
b. One Maintenance Vehicle from Monarch Rentals in an Amount not to Exceed \$75,891
c. One Maintenance Vehicle from National Auto Fleet Group in an Amount not to Exceed \$95,650.

RECOMMENDATION:

Authorize the Town Manager to Purchase Vehicles:
a. Two Police patrol vehicles from Folsom Lake Ford in an amount not to exceed \$83,263.
b. One maintenance vehicle from Monarch Rentals in an amount not to exceed \$75,891.
c. One maintenance vehicle from National Auto Fleet Group in an amount not to exceed \$95,650.

BACKGROUND:

As part of the Fiscal Year 2019/20 Operating Budget, the Equipment Replacement Fund was approved, providing funding for replacement of high mileage or older vehicles that have reached their replacement criteria or do not meet federal regulations for emissions. The Town amortizes a vehicle's replacement over its forecasted life and sets funds aside on an annual basis to ensure the Equipment Replacement Fund has sufficient resources for the timely replacement of vehicles. In addition, this funding structure allows for a smoothing of operating expenditures and a more accurate reflection of the actual cost of operations.

PREPARED BY: Steve Regan
Superintendent

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, and Parks and Public Works Director

BACKGROUND (continued):

The Town Vehicle and Equipment Acquisition and Replacement Policy (Attachment 1) determines which assets should be replaced by evaluating predetermined age and/or mileage criteria.

Fleet vehicle replacement purchases are reviewed annually through the Operating Budget and approved as part of the budget process. There is a total of four assets recommended for replacement at this time. Two vehicles are assigned to the Police Department patrol division, one 2014 and one 2015 Ford Explorer, and two assigned to the Parks and Public Works Department (PPW), a 2001 Ford flatbed truck and a 2002 Ford brush truck, both diesel-powered.

DISCUSSION:

Police Department Vehicles

The two vehicles recommended for replacement in the Police Department are over four years old with over 60,000 miles. The vehicles currently meet the replacement criteria for patrol vehicles of 3 years and/or 85,000 miles. In addition, the lead time for purchasing and equipping patrol vehicles will result in additional age and mileage.

Ford Motor Company has introduced a pursuit rated hybrid vehicle for police patrol purposes this year. Extensive idle times make hybrid technology ideal for law enforcement. While stopped, the lithium hybrid batteries power lights, radios, computers, and other on-board electrical systems. The hybrid engine can shut off intermittently, self-starting to charge the battery when needed. This compares with the current need for police patrol vehicles to idle for extended periods, for example while on the scene of an incident.

The hybrid system reduces fuel consumption and expenditures, carbon dioxide emissions, and maintenance costs. The combined horsepower rating between the gas motor and hybrid system are enhanced over the standard gas platform version of the previous model year Explorers. Fuel economy increases from an average of 17 miles per gallon in town with the standard gas platform to 24 miles per gallon in the city with the hybrid system. Neighboring Police Departments such as Santa Clara, San Jose, and others have opted to move to the hybrid system based on performance and overall cost of operation.

Parks and Public Works Vehicles

PPW currently operates two Ford F450 medium duty trucks which are used in the Public Works Maintenance Operations to transport materials and tow trailers with equipment to job sites.

DISCUSSION (continued):

The two vehicles that staff recommends replacing are fully amortized in the replacement program and all necessary funds are available.

The vehicles are 17 and 18 years old and have exceeded the identified criteria for replacement of 15 years and/or 100,000 miles. The Town Vehicle and Equipment Acquisition and Replacement Policy is designed to replace vehicles and equipment prior to failure to ensure the ability of the Town to provide uninterrupted service.

Both vehicles have older diesel engines that are required to be upgraded to Tier 4 standards by the year 2020. Staff has been recommending light and medium duty vehicles and equipment purchases (pickups, vans, etc.) with non-diesel engines, which is directly in line with the Town's Sustainability Plan in reducing the carbon footprint. The proposed replacement vehicles are fuel efficient and gas powered. Additionally, the vehicles incorporate safety features such as a back-up cameras, air ride, and ergonomic seating for the operator.

In considering new versus used vehicles, several factors come into play. Both vehicles are configured flexibly to meet the broad needs of the department. The proposed brush truck is used to support the Santa Clara County Work Furlough Program participants. The Weekend Work Program (WWP) is an alternative program for jail sentences and provides a valuable service to the community by essentially providing hundreds of free hours to the Town with participants performing maintenance tasks in parks and streets working alongside of full-time staff. The brush truck incorporates onboard storage for tools, seating for six, the capacity to haul large loads of debris during maintenance tasks, and the ability to tow a tree chipper and other towable equipment used during maintenance operations. The flatbed will be replaced with a utility body that incorporates storage for tools used in daily maintenance functions including a small crane to lift heavy object into the back of the truck. Additionally, the new vehicle configuration allows for consolidation of equipment held between two vehicles into one, reducing the fleet by one.

A secondary consideration for used vehicles is the overall condition of the vehicle. Used vehicles of this type come with the risk of having been heavily used and improperly maintained. This could lead to increased maintenance costs, including significant expense in the replacement of major components like transmissions. Availability and longevity are key factors in managing a fleet.

In accordance with the Town's Purchasing Policy, Section 7 (Cooperative Purchasing), this purchase is based on a formal bid process completed by the City of San Jose, the State of California Department of General Services, and Sourcewell purchasing program, which allow for other municipalities to purchase vehicles using their formal bid proposal documents (Attachment 2).

PAGE 4 OF 4

SUBJECT: Authorize the Town Manager to Purchase Vehicles

DATE: August 7, 2019

CONCLUSION:

Staff is recommending replacement to avoid costly repairs and to maximize the resale value. By replacing the vehicle now, it will ensure reliable vehicles for staff and continue to meet the needs of the community and the department. The Equipment Replacement Fund provides funding for the replacement of high mileage or older vehicles that have reached their replacement criteria or do not meet federal regulations for emissions.

ALTERNATIVES:

Alternatively, the Town Council could direct staff to delay replacement of the equipment. Staff does not recommend this alternative as the vehicles have reached the end of their useful life and the lack of a replacement vehicle will impact daily productivity operations.

FISCAL IMPACT:

There are sufficient funds available in the Equipment Replacement Fund to purchase these vehicles.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Town Vehicle and Equipment Acquisition and Replacement Policy
2. Bid Proposal Documents