



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 09/06/2022

ITEM NO: 5

DATE: August 17, 2022
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Authorize an Expenditure Budget Adjustment from available Vehicle Replacement Fund in the Amount of \$8,027 for a Total Vehicle Purchase Amount not to Exceed \$137,685

RECOMMENDATION:

Authorize an expenditure budget adjustment from available Vehicle Replacement Fund in the amount of \$8,027 for a total vehicle purchase amount not to exceed \$137,685.

BACKGROUND:

As part of the Adopted Operating Budget, the Equipment Replacement Fund is approved annually to provide funds for the replacement of high mileage or older vehicles that have reached the replacement criteria or do not meet federal regulations for emissions. The Town's goal is to amortize 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.

PPW currently operates a Ford F450 medium duty Versalift aerial unit which is used in Parks and Public Works Maintenance Operations to provide access for work on signs, banners, streetlights, tree work, and other high locations needing work. The vehicle that the staff recommends replacing is fully amortized in the replacement program and all necessary funds are available.

PREPARED BY: Jim Harbin
Superintendent

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

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BACKGROUND (continued):

On February 16, 2021, Town Council authorized the Town Manager to purchase a cab chassis vehicle with an aerial lift platform body from Altec Industries, Inc. in the amount not to exceed \$129,658; however, due to the current supply chain issues and steel and aluminum shortages, material costs have increased dramatically, and delivery dates have been extended as much as nine months or more.

Costs for the vehicle purchase and build-up increased since Council's approval on February 16, 2021, due to material surcharges, estimated tax adjustments, and additional safety equipment added which was not available at the time of the initial order resulting in an updated quotation (Attachment 1).

DISCUSSION:

In accordance with the Town's Purchasing Policy, Section 7c (Cooperative Purchasing) and the Town's Vehicle and Equipment Acquisition and Replacement Policy (Attachment 2), the purchase of these vehicles is based on a formal bid process completed by the State of California Department of General Services, which allows for other municipalities to purchase vehicles using their formal bid proposal documents. The Adopted Budget allows for the replacement of each of the vehicles as recommended in this report.

CONCLUSION:

Authorize an expenditure budget adjustment from available Vehicle Maintenance Fund in the amount of \$8,027 for a total vehicle purchase amount not to exceed \$137,685.

FISCAL IMPACT:

There are sufficient funds available in the Equipment Replacement Fund for the requested budget adjustment to purchase this vehicle.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Vehicle Quote
2. Town Vehicle and Equipment Acquisition and Replacement Policy