



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 04/20/2021

ITEM NO: 7

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DATE: April 15, 2021  
TO: Mayor and Town Council  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Authorize the Town Manager to:  
a. Purchase Two Patrol Motorcycles from Long Beach BMW in an Amount not to Exceed \$65,750; and  
b. Execute a Summary Vehicle Quotation to Extend the Commercial Motor Vehicle Master Lease Agreement with Mike Albert, LTD. in an Amount not to Exceed \$3,000 for a 12-Month Lease Extension for Two Electric Vehicles, for a Total Lease Amount Not to Exceed \$66,010.

**RECOMMENDATION:**

Authorize the Town Manager to:

- a. Purchase two patrol motorcycles from Long Beach BMW in an amount not to exceed \$65,750 (Attachment 1); and
- b. Execute a summary vehicle quotation (Attachment 2) to extend the commercial motor vehicle master agreement with Mike Albert, LTD. in an amount not to exceed \$3,000 for a 12-month lease extension for two electric vehicles, for a total lease amount not to exceed \$66,010.

**BACKGROUND:**

As part of the Fiscal Year 2020/21 Operating Budget, the Equipment Replacement Fund was approved, providing funds for replacement of high mileage or older vehicles that have reached their 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 set 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:** Jim Harbin  
Superintendent

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

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BACKGROUND (continued)

In 2013, the Town participated in an initiative with the Cities of San Jose, Campbell, and Mill Valley to deploy Mitsubishi all electric vehicles (MiEVs) to lower the Town's carbon footprint in alignment with the Town's Sustainability Plan. The vehicles were secured under individual lease agreements with participating agencies through Mike Albert, LTD., and after usage reviews and lease extensions in 2016, 2018, and 2020, two MiEVs still remain in the fleet assigned to the Police Department at a current rate of \$135 per month per vehicle.

The Town Vehicle and Equipment Acquisition and Replacement Policy (Attachment 3) determines which assets should be replaced by evaluating predetermined age and/or mileage criteria. There are two assets recommended for replacement and two assets recommended for lease extensions at this time.

DISCUSSION:

Two Police Motorcycles

The Police Department currently operates a total of two 2015 Honda ST1300 motorcycles equipped as support vehicles for patrol. These two motorcycles are recommended for replacement as they are over six years old and have reached the identified criteria for replacement of 4 years and/or 42,000 miles. The lead time for purchasing and equipping new patrol vehicles will result in increased age and mileage.

Staff compared multiple vehicle models to determine the best option for replacement. In prior motorcycle purchases, staff has taken into consideration several factors including the purpose of the vehicle, capabilities of the proposed vehicle, the vehicle's fuel consumption, and overall cost.

The Police and Parks and Public Works Departments have evaluated options currently in production as a replacement vehicle. There are currently three motorcycle models in production with build out programs suitable for Police pursuit. While Honda and Harley Davidson are options as patrol motors, the build out to current Police pursuit standards is mostly custom and difficult to achieve as technology has outpaced those pursuit programs.

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DISCUSSION (continued):

The BMW R1250 is the preferred model for replacement as BMW's pursuit program leads the industry and most options come standard and are fully integrated, rather than add-ons and conversions installed by third party companies.

In accordance with the Town's Purchasing Policy Section 7c (Cooperative Purchasing), 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 the State formal bid process and pricing. The budget allows for replacement of each of the vehicles as recommended in this report.

Two Leased MiEVs

The lease agreement for the two MiEVs expires April 30, 2021 and staff reviewed mileage of both vehicles and determined the vehicles met minimum requirements for usage and should be evaluated again in 12 months. A reduced monthly rate has been negotiated for the two vehicles for an additional 12-month period effective May 1, 2021 through April 30, 2022. The cost per vehicle is \$125 per month totaling \$250 per month for both vehicles, for a total amount of \$3,000 for the 12-month term of lease. With this addition, the total cost of the lease since inception in 2013 will not exceed \$63,010.

During the FY 2019/20 lease renewal process there was never a lapse in payment for the lease with Mike Albert, LTD. After Council approval on May 19, 2020 the vendor received the signed lease from the Town and due to the timing of the vendors billing cycle the vendor adjusted the renewal effective date by two months to July 1, 2020, thus appearing to have a lapse of the lease. To allow for consistency, this lease will renew from May 1, 2021 through June 30, 2022.

CONCLUSION:

Authorize the Town Manager to purchase the vehicles and extend the lease agreements described in this report.

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FISCAL IMPACT:

There are sufficient funds available in the Equipment Replacement Fund to purchase these motorcycles. Funds for the MiEV lease extensions are available for the remainder of the current fiscal year and are contingent on approval of the Proposed FY2021/22 Operating Budget for the Police Department.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Motorcycle Bid Proposal Document
2. Lease Extension Documents
3. Town Vehicle and Equipment Acquisition and Replacement Policy