



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve a Budget Appropriation in the amount of \$103,931 to the Equipment Fund Non-departmental FY 2021-22 Operating Budget and Approve the Replacement Purchase of Two Police Vehicles Through a Sourcwell Cooperative Contract with National Auto Fleet Group
Category:	Consent Calendar-Public Safety
Meeting Date:	3/1/2022
Staff Contact:	Captain Frank Morales, 408-586-2521 & Chris Schroeder, 408-586-3161
Recommendation:	Approve a budget appropriation in the amount of \$103,931 to the Equipment Fund Non-departmental FY 2021-22 operating budget and approve the replacement purchase of two Police vehicles through a Sourcwell cooperative contract with National Auto Fleet

Background:

The Milpitas Police Department currently manages a fleet of thirty (30) marked police vehicles, assigned to various patrol staff throughout the department's 24-7 operation. The City of Milpitas has a contractual obligation under the Milpitas Police Officer Association's (MPOA) Memorandum of Understanding to replace marked patrol vehicles once they acquire 75,000-miles, or up to a maximum extension of 90,000-miles, if the marked patrol vehicle is deemed safe and suitable for patrol purposes. It is imperative the number of vehicles in the police department's fleet remains furnished to support mileage requirements and staffing needs, in order to maintain current service levels and response times.

In September and October of 2021, two (2) police vehicles were involved in separate traffic collisions within the course of duty which reduced the current fleet from 30 to 28 marked police vehicles. Both collisions resulted in total losses and subsequent insurance payouts for the actual cash value loss of the vehicles, less the City's insurance deductible of \$5,000 for each incident.

Analysis:

The total insurance payout for both vehicles is sufficient to cover the cost of two (2) replacement vehicles; the total insurance payout is \$113,653.87 and the total cost for two (2) replacement vehicles is \$103,931. Replacing these two vehicles is critical to enable staff to provide essential public safety services.

Therefore, a budget appropriation to the Equipment Fund Non-departmental FY 2021-22 operating budget in the amount of \$103,931 for the two (2) totaled vehicles is recommended and is recommended to be used to purchase two (2) replacement vehicles through a Sourcwell cooperative contract with the National Auto Fleet Group. The insurance payoff exceeds the cost by \$9,722.87 which will be added to the fund balance in the Equipment Fund for future use.

Municipal Code Section I-2-3.05 Public Agency Purchases, specifically authorizes the Purchasing Agent to purchase supplies or services without complying with the quotation or bidding requirements of the Chapter, and to make such purchases based on an agreement or cooperative purchasing. On July 28, 2021 Sourcwell solicited Request for Proposal (RFP) No. 091521 for "Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories" On November 4, 2021 contract No.091521-NAF awarded to the National Auto Fleet Group took effect. Sourcwell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota through legislative authority of Minnesota Statute 123A.21.Feb

24, 2017, that offers cooperative procurement solutions to government entities.(See: attached Not-To-File – Coop.)

Therefore, staff recommends a budget appropriation of the total insurance payout to the Equipment Fund Non-departmental operating budget for the purchase of two (2) replacement vehicles through a Sourcewell cooperative contract with the National Auto Fleet Group, thus maintaining the department's fleet of thirty (30) marked police vehicles.

Policy Alternatives:

Alternative 1: Do not approve a budget appropriation in the amount of \$103,931 to the Equipment Fund Non-departmental fiscal year 2021-2022 operating budget.

Pros: The City would receive the insurance payout for the two vehicles but not incur the expense of purchasing two (2) Police vehicles.

Cons: The Police Department would not be able to replace the two (2) vehicles needed to maintain current service levels.

Reason not recommended: If the vehicles are not replaced, the Police Department would be at risk of not maintaining current service levels and not meeting MOU obligations in respect to vehicle mileage limits.

Fiscal Impact:

Staff recommends approval of a budget appropriation to the Equipment Fund Non-departmental FY 2021-22 operating budget in the amount of \$103,931 for the purchase of two (2) replacement vehicles. The difference between the insurance payout of \$113,653.87 and the funds needed to purchase the replacement vehicles in the amount of \$9,722.87 will be added to the fund balance in the Equipment Fund for future use. Any additional cost associated with the purchase of these two (2) replacement vehicles exceeding this amount can be absorbed by the Police Department's operating budget.

California Environmental Quality Act:

The action being requested is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline 15378(b)(2) as a continuing administrative activity involving the purchase of supplies and other related equipment for the City which is specifically listed as an action in that respective Guideline.

Recommendation:

Approve a budget appropriation in the amount of \$103,931 to the Equipment Fund Non-departmental FY 2021-22 operating budget for the purchase of two replacement Police vehicles through a Sourcewell cooperative contract with the National Auto Fleet Group.

Attachments:

1. Proof of Loss – September 16, 2021
2. Proof of Loss – October 10, 2021
3. Budget change form
4. Note-To-File - Coop