

Agenda Report

October 19, 2020

TO: Honorable Mayor and City Council

THROUGH: Finance Committee (October 8, 2020)

FROM: Police Department

SUBJECT: AUTHORIZE PURCHASE ORDER CONTRACT WITH ENTERPRISE FLEET MANAGEMENT TRUST FOR THE LEASE OF TWENTY FIVE (25) NON-ENFORCEMENT VEHICLES FOR AN AMOUNT NOT TO EXCEED \$1,221,495.

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action is exempt from the California Environmental Quality Act (CEQA) in accordance with Section 15061 (b)(3) the Common Sense Exemption that CEQA only applies to projects that may have an effect on the environment;
2. Authorize the City Manager to enter into a Purchase Order Contract, with Enterprise Fleet Management Trust ("EFM") in the amount not to exceed \$732,897 for an initial term of three years, with two one-year extensions of \$244,299 per year. If the two additional terms are exercised the total contract would be \$1,221,495 for a maximum duration of five years. The Pasadena Police Department conducted a competitive bid process in November 2019 for Fleet Management Services and on February 10, 2020 Council accepted the bid; and
3. Approve a journal voucher to transfer \$225,826 from the Fleet Equipment Replacement Fund to the Police Department in FY 21 operating budget for vehicles that are moving from the fleet equipment replacement program to a lease arrangement.

BACKGROUND:

The Pasadena Police Department (PPD) provides a wide range of services that require a 24/7 response to critical incidents and fulfillment of department service obligations. Within those responsibilities are specialized sections that require equipment such as non-enforcement vehicles which require minimal or no police insignias or visible emergency lights to complete their objectives. These non-enforcement vehicles focus on the fulfillment of criminal investigations, special weapons and tactics functions, crime prevention, and prisoner transportation related duties. Historically, these vehicles have been purchased but recent analysis has shown that a lease arrangement is more beneficial. A cost analysis was conducted between leasing from EFM and paying into the replacement program and the City stands to save approximately 45% annually by leasing the vehicles. Consequently, the PPD will be moving from the replacement program for non-enforcement vehicles to a lease arrangement, and will begin the salvage process for those vehicles that will be replaced by a lease.

The Pasadena Police Department conducted a competitive bid process in November 2019 for Fleet Management Services and on February 10, 2020 Council approved entering into a purchase order contract with EFM to supply leased vehicles for the Department's Special Investigations Section (SIS). The current bid aligns with the Police Department's need for additional leased vehicles and EFM has agreed to honor the same monthly pricing, maintenance cost and insurance coverage pricing for all vehicles. The initial term of the lease is 3 years and the City can terminate the lease after that initial term. The City also has the option to extend the lease for two additional one-year terms for a maximum of five years total. For emergency response capabilities, all leased vehicles will also be modified with lights and sirens installed in the rear window and front grill of the vehicle.

Based on the initial competitive bid conducted in November 2019, the Police Department will continue to use this bid, as it meets our needs.

COUNCIL POLICY CONSIDERATION:

This agenda item supports the following City Council Strategic Planning Goals:

Maintain fiscal responsibility and stability: The EFM Agreement allows for several cost efficient measures which are commensurate with our strategic priorities including:

- EFM will assist with cost analysis, vehicle selection, replacement recommendations for lowest cost of ownership, coordinate delivery and pick up of vehicles.
- Allow for purchase of the vehicle for the Residual Value.
- Deductible amount of \$1,000 for damages with physical damage coverage.

ENVIRONMENTAL ANALYSIS:

The proposed action has been determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061 (b)(3), the Common Sense Exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The leasing of vehicles would have no adverse impact on the environment. The additional non-enforcement vehicles would generate greenhouse gas (GHG) and air pollutant emissions at a level that would meet the California emissions requirements and federal Corporate Average Fuel Economy (CAFE) standards. Such emissions would be negligible and well below air quality and GHG significance thresholds and the agreement would have the potential to reduce air quality and GHG emissions as the proposed action would lease these vehicles which have better fuel efficiency than the current non-enforcement vehicles they would replace. Further, this purchase complies with all South Coast Air Quality Management District rules and regulations for engine emissions and clean air standards in the South Coast basin as well as California Air Resources Board rules.

FISCAL IMPACT:

Funding for this action will be addressed by the transfer of \$225,826 from Public Works Department Fleet Replacement Fund (50322060-717300) to the Police Department's General Fund (10133013-821800). There is no impact to the internal services as these leases include maintenance.

The following table reflects the contract summary.

Contract Summary	
Base Contract Amount (3 years)	\$ 732,897
Optional Year 1	\$ 244,299
Optional Year 2	\$ 244,299
TOTAL CONTRACT AMOUNT	\$ 1,221,495

Respectfully Submitted,



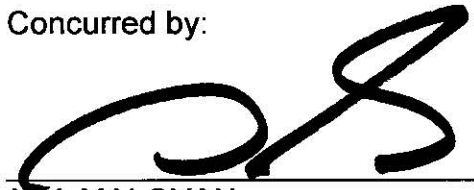
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