

Agenda Report

September 20, 2021

TO: Honorable Mayor and City Council

THROUGH: Municipal Services Committee (September 14, 2021)

FROM: Department of Public Works

SUBJECT: AUTHORIZE PURCHASE ORDER CONTRACT WITH 72 HOUR LLC (DBA: CHEVROLET OF WATSONVILLE/ NATIONAL AUTO FLEET GROUP) FOR PURCHASE OF EIGHT SPORT UTILITY VEHICLES, SEVEN 3/4-TON TRUCKS AND TWO 1/2-TON TRUCKS FOR A TOTAL OF \$739,763

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action is exempt under the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment; and
2. Authorize the issuance of a purchase order contract to 72 Hour LLC dba Chevrolet of Watsonville/ National Auto Fleet Group (72 Hour) for the purchase of eight sport utility vehicles (SUV), seven 3/4 ton trucks and two 1/2 ton trucks, in an amount not to exceed \$739,763 (includes \$67,251 contingency allowance). Neither Competitive Bidding nor Competitive Selection are required pursuant to City Charter Section 1002(H) and Pasadena Municipal Code Section 4.08.049(A)(3), contracts with other governmental entities;

BACKGROUND:

This agenda item was presented to City Council on July 12, 2021. City Council directed staff to update the Municipal Services Committee regarding staff's efforts exploring alternative lower emission vehicle options and present City's Zero Emission Vehicle (ZEV) Strategic Plan before returning to Council with recommendations.

The Department of Public Works, Building Systems and Fleet Management Division (BSFMD) is tasked with providing vehicle replacement for various City departments based on a scoring system including factors such as the vehicle's age, mileage, condition, usage, maintenance and repair history. As part of the approved FY 2022 Operating Budget, a

3-Year Fleet Replacement Plan is being implemented to comprehensively address the City's aging fleet. This three-year plan prioritizes the City's vehicle replacement needs in support of each department's operations, ensuring safe modes of transportation and vehicle equipment for staff to perform their duties and services, decreasing fleet maintenance and repair costs, and simultaneously allowing a consolidated effort to group similar vehicle types for economies of scale and efficient purchasing process.

As part of year one of the Fleet Replacement Plan, 17 vehicles currently assigned to the departments of Parks, Recreation, & Community Services, Police, and Public Works have been identified for replacement. Considerations and research for zero emission alternatives to replace these particular vehicles have been conducted, and at this time there are no feasible alternatives, including electric or hybrid models, currently on the market that will meet department needs and specific vehicle duties there-in associated.

Eight Ford Crown Victoria police vehicles will be replaced with Ford Edge standard utility vehicles (SUV) outfitted specifically for police use. These vehicles are utilized daily for 24/7 response to critical incidents and investigations associated with public safety, that can span multiple jurisdictions. Replacing these aging vehicles, ranging from 10 to 16 years old, will reduce the overall tailpipe greenhouse gas (GHG) emission by approximately 25% (estimated GHG emission of 6.2 tons/year for new Ford Edge vs. 8.2 tons/year for old vehicle).

Staff also conducted a comparative analysis of the larger Ford Explorer SUV hybrid model as an alternative option. The hybrid Ford Explorer model's estimated GHG emission is only marginally less at 6.0 tons/year but costs 35% more than the Ford Edge. Only six out of the eight SUVs can potentially be replaced with the more costly and larger Ford Explorer hybrid model. As such, the GHG impact would remain higher as the City will have to retain two of its older vehicles. Staff therefore recommends replacing all eight vehicles with Ford Edge SUVs until a reliable zero emission vehicle with comparable performance is available for police use. Recognizing the unique safety demands of vehicles actively engaged in law enforcement work, California Air Resources Board (CARB) exempts emergency vehicles as defined by Vehicle Code Section 165(e) from requirements of the State Executive Order N-79-20.

Seven $\frac{3}{4}$ -ton pick-up trucks will be replaced with Ford F250 trucks. There are currently no comparably-sized zero emission pick-up trucks on the market, nor any reputable manufacturers forecasting development of such vehicles in the short term. Two $\frac{1}{2}$ -ton pick-up trucks will be replaced with Ford F150 trucks. These vehicles are currently utilized daily for fulfillment of departmental obligations such as performing diverse fieldwork, maintenance in the public right of way, as well as landscaping and irrigation activities. Ford is projecting to begin manufacturing a zero emission F150 trucks towards the end of 2022. As the estimated delivery of these F150 trucks are approximately two plus years out, the City will consider this ZEV once on the market.

Sourcewell, formerly known as the National Joint Powers Alliance, is a national municipal contracting agency which establishes and provides nationally leveraged and competitively

solicited purchasing contracts that can be utilized by member agencies such as the City of Pasadena. In December 2016, Sourcewell issued a Request for Proposals for Vehicles, Cars, Vans, SUVs, and Light Trucks with Related Equipment, Accessories, and Services. Three submissions were received and evaluated by the Sourcewell selection committee. Submissions were scored on a weighted scale of eight different criteria, with pricing being the most heavily weighted. The process undergone by Sourcewell has resulted in competitive pricing. 72 Hour earned the highest score out of the three respondents with 862 points out of a possible 1,000, and was awarded a contract through January 2022.

The vendor, 72 Hour has agreed to extend the contract prices, terms, and conditions under Sourcewell contract #120716-NAF to the City for the proposed purchase of eight new Ford Edge SUVs for \$290,804 (unit price of \$36,350), seven Ford F250 trucks for \$303,694 (unit price ranging between \$39,271 to \$40,606 depending on build option needs), and two Ford F150 trucks for \$78,014 (unit price of \$39,007) for a total vehicle cost of \$ \$672,512. This proposed contract for an amount not to exceed \$739,763 includes an additional 10% contingency allowance of \$67,251 to address possible inflation due to current unstable market conditions faced by the manufacturers and their supply chain. These vehicles are expected to be delivered within 120 days after receipt of the purchase order. Outfitting for necessary accessories will be installed after delivery and will be consistent with the unique needs of the respective department's intended usage of each vehicle.

72 Hour is located in Watsonville, CA. The City of Pasadena has done business with 72 Hour including issuance payment for vehicle purchase orders totaling approximately \$2,033,217 since fiscal year 2016. It is in the best interest of the City to purchase the requested vehicles with 72 Hour utilizing the Sourcewell contract; this eliminates the need to solicit for items that are already competitively priced and expedites the time required to take delivery of new vehicles.

Comparative pricing from nearby dealerships was conducted to verify price savings. These were obtained from dealerships outside of the city limits since none of the Pasadena-based vendors carry or sell these types of vehicles. Out of the five dealerships who responded, only three have these vehicles in stock and provided pricing that was an average of 15% higher than the discounted pricing extended by 72 Hour LLC through the Sourcewell contract.

COUNCIL POLICY CONSIDERATION:

By providing the departments with the proper equipment to perform its function, the proposed purchase furthers the City Council's Strategic Plan goals to ensure public safety, increase conservation and sustainability, and maintain fiscal responsibility and stability.

ENVIRONMENTAL IMPACT:

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.

FISCAL IMPACT:

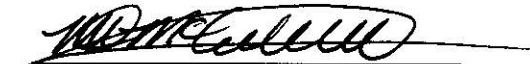
The total cost of this action is \$739,763. Funding for this action will be addressed by the utilization of existing budgeted appropriations in the Fleet Replacement Fund, budget account 50322060-850500. Indirect and support costs such as maintenance and repair are anticipated to be \$350,000 over the ten-year average lifecycle of the seventeen vehicles and will be addressed annually by utilization of existing budgeted appropriations in the respective department's operating budget: Parks & Recreation Community Services Department under 10118070-861600; Public Works Department under 10122090-861600 and 30122009-861600; and, Police Department under 10132024-861600.

Respectfully submitted,



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Prepared by:



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Public Works Administrator BSFMD

Approved by:



STEVE MERMELL
City Manager

Attachment A – Vehicle Condition Report