



# Agenda Report

January 30, 2023

**TO:** Honorable Mayor and City Council  
**THROUGH:** Municipal Services Committee (January 24, 2023)  
**FROM:** Department of Public Works  
**SUBJECT:** **AUTHORIZE PURCHASE ORDER CONTRACT WITH 72 HOUR LLC (DBA: CHEVROLET OF WATSONVILLE/NATIONAL AUTO FLEET GROUP) FOR THE PURCHASE OF 16 FORD EXPLORER HYBRID POLICE INTERCEPTOR SPORT UTILITY VEHICLES, TWO FORD MUSTANG MACH-E VEHICLES, TWO FORD F-250 TRUCKS, AND ONE FORD F-450 TRUCK FOR AN AMOUNT NOT-TO-EXCEED \$1,657,621**

## **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;
2. Authorize the issuance of a purchase order contract to 72 Hour LLC (72 Hour) for the purchase of 16 Ford Explorer Hybrid Police Interceptor Sport Utility Vehicles (Hybrid SUVs), two Ford F-250 trucks, two Ford Mustang Mach-E electric vehicles (EVs), and one Ford F-450 truck for an amount not-to-exceed \$1,657,621 (includes \$216,211 contingency); and
3. 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:**

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 2023 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 the Fleet Replacement Plan, vehicles currently assigned to the departments of Parks, Recreation, and Community Services (PRCS), Police (PD), and Public Works have been identified for replacement. One replacement truck, outside of the Fleet Replacement Plan, will also be purchased for the Department of Housing's Municipal Assistance, Solutions, and Hiring (MASH) program to meet their operational needs. Considerations and research for zero emission alternatives to replace these particular vehicles have been conducted and alternative hybrid and electric models currently exist in the market that will meet most of the department needs and specific associated vehicle duties.

For the Police Department, 16 Ford Explorer Police Interceptor Hybrid SUVs and two Ford Mustang Mach-E all-electric vehicles (EVs) will be purchased, replacing 18 older gasoline-powered vehicles such as the Ford Crown Victoria and Ford Explorer (#s 2172, #2360, #2373, #2460, #2461, #2464, #2465, #2515, #2516, #2518, #2519, #2520, #2521, #2522, #2524, #2040, and #2041). These vehicles will serve as full-fledged frontline pursuit vehicles and will be utilized for 24/7 response to critical incidents and investigations associated with public safety that can span multiple jurisdictions. As such, fuller size and heavier duty vehicles are required to withstand more aggressive and constant use especially during high-speed response calls. The Ford Explorer Interceptor Hybrid SUV has been identified as the most suitable, cost-effective, and environmentally sound frontline pursuit vehicle replacement that is currently available in the market.

In an effort to also introduce an all-electric full-fledged frontline pursuit vehicle alternative in the City's police fleet, the Ford Mach-E has been identified as suitable and comparable units to pilot test especially since other agencies are using these in the same capacity (ex. New York and Michigan State PD). These proposed purchases will reduce the overall tailpipe greenhouse gas (GHG), by approximately 25% for replacing 16 gasoline powered units with hybrid SUVs (estimated GHG emission of 6 tons/year for new hybrid SUV vs. average 8 tons/year for the old vehicle) and by 100% for replacing two gasoline powered units with fully electric Ford Mach-Es.

Two Ford F-250 trucks and one Ford F-450 truck will be purchased for the departments of Public Works (#1687), PRCS (#1507), and Housing (#1778), replacing similar units currently in use in those departments. 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. These vehicles are currently utilized daily for fulfillment of departmental obligations such as performing diverse fieldwork, maintenance in the public right of way, landscaping and irrigation activities, and building maintenance.

Sourcewell is a public government agency created specifically by the Minnesota legislature as a local unit of government (under Minnesota Constitution, article XII, section 3).

Sourcewell operates as a service cooperative and acts as 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 July 2021, Sourcewell issued a Request for Proposals for Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories. Thirteen 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 thirteen respondents with 878 points out of a possible 1,000 and was awarded a contract through November 2025.

The vendor, 72 Hour, has agreed to extend the contract prices, terms, and conditions under Sourcewell contract #091521-NAF to the City for the proposed purchase of 16 new Ford Explorer Interceptor Hybrid SUVs for \$991,850, two Ford F-250 trucks for \$147,001 two Ford Mustang Mach-E vehicles for \$179,889, and one Ford F-450 truck for \$122,670. These proposed purchases will include an additional 15% contingency to address current market vehicles are expected to be delivered on a phased schedule, depending on vehicle model, within 240 days after receipt of the purchase order.

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 \$5,050,060 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. This is especially crucial as the supply chain issues in the automotive industry continues. Ford, for one, has started implementing an allocation system based on a calculation of their inventory projections and overall demands that further diminishes the City's purchasing power. Each agency, including the City, is now assigned a unique code that informs the maximum number of vehicles allowable to purchase when specific Ford vehicle makes or models are being released. As this maximum count applies per agency regardless of the government cooperative agreement utilized, staff is faced with re-evaluating its future fleet replacement and procurement strategy.

Finally, at the August 15<sup>th</sup> 2022 City Council meeting, staff was asked to prepare a report outlining the efforts required to construct larger scale charging infrastructure. After internal meetings between staff from departments of Public Works and Water and Power, it was determined that to best address the adoption of a Zero Emission Fleet with the diverse options in the market, an independent study by subject matter experts is recommended. Subsequently, a comprehensive assessment of the City's infrastructure needs for the long term and large-scale approaches will need to be conducted to include charging of EVs as well as the feasibility of incorporating fueling for other zero emission vehicle alternatives such as fuel cell vehicles currently available in the market. A report will be presented to the Municipal Services Committee after completion of the comprehensive assessment.

**COUNCIL POLICY CONSIDERATION:**

By providing the departments with the proper equipment to perform their 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 \$1,657,621. Funding for this action will be addressed by the utilization of existing budgeted appropriations in the Fleet Replacement Fund, budget account 50322060-850500 and Housing Department Operating Budget 23816024-850500. Indirect and support costs such as maintenance and repair are anticipated to be \$800,000 over the lifecycle of the 21 vehicles and will be addressed annually by utilization of existing budgeted appropriations in the respective department's operating budget: Housing under 23816024-861600; PRCS under 10118070-861600; Public Works Department under 50222052-861600; and Police Department under 10132024-861600. This action will require ongoing annual budget appropriations from the General Fund to support vehicle maintenance purchased for the PRCS and Police Departments.

Respectfully submitted,



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