

STAFF REPORT

City Council Business Item

DATE: February 6, 2023

TO: Honorable Mayor and Council Members

FROM: Casey J. Day, Chief of Police

THROUGH: Merritt Perry, City Manager

SUBJECT: Supplemental Budget Request for the Sole-Source Purchase of Four (4) Chevrolet Tahoe Police Vehicles Utilizing the USDA Community Facilities Grant

STAFF RECOMMENDATION:

1. Authorize the sole-source procurement of four (4) Chevrolet Tahoe patrol vehicles from Future Chevrolet Fleet Center in Sacramento, California for a total cost of \$240,916.68 and;
2. Approve a supplemental budget request in the amount of \$340,916.68 to complete the purchase of outfitting of the new police vehicles.

EXECUTIVE SUMMARY:

On April 4, 2022, the Fortuna City Council approved the purchase of four (4) new Ford Police Vehicles (fully outfitted) in the amount \$256,086.26, with \$140,800.00 coming from a USDA Community Facilities Grant and a city match of \$115,286.82 from the Asset Seizure Fund.

The current patrol vehicle procurement environment has been, and continues to be significantly challenging and new Ford Police Vehicles have been unavailable to the City and other jurisdictions across the Country due to supply chain shortages. The dealerships that have been awarded State Contracts have been unable to allow ordering of the vehicles, or provide an estimated time of delivery. The associated obstacles are likely to continue for the foreseeable and distant future and is not conducive to the competitive procurement process.

The Fortuna Municipal Code (FMC) §§ 2.50.080 allows the City to obtain goods by negotiated contract, and without a competitive procurement process, when the Council determines that a competitive procurement process is not likely to serve the best interests of the City or to result in the lowest price, or when competitive procurement is impractical. Because the vehicles cannot be obtained that were competitively bid, staff believes that it is in the City's best interest to negotiate with other dealers that can provide the vehicles in a timely manner. If the City waits, for competitively bid Ford Explorer/Interceptors to become available, they would be a newer model year and likely have higher cost than originally anticipated.

Therefore, staff have sought to identify other sources for new police vehicles that can be obtained within a shorter time. Staff have identified a dealer that can provide four needed vehicles for the City immediately. The vehicles identified are Chevrolet Tahoe patrol vehicles and the dealer is Future Chevrolet Fleet Center in Sacramento, California. The cost for the purchase of the four

vehicles would be \$240,916.68, and approximately \$100K to fully equip the new vehicles. This exceeds the original budget of \$256,086.26 by approximately \$88,830.42.

Although the four (4) Chevrolet Tahoe Police Vehicles will cost slightly more than the most recent DGS State contract, The cost will be less than other local jurisdictions have paid for the same vehicles. Staff did check with the winner of the most recent DGS contract awardee (Winner Chevrolet) who does not have Chevrolet Tahoe's in stock and cannot order them at present time.

FISCAL IMPACT:

The original budget for the vehicle purchase and outfitting of the four Ford Explorers was \$256,086.26 in FY 2021-2022. The purchase and outfitting of the new Chevy Tahoe's will cost \$340,916.68 in FY 2022-2023 .Staff is proposing that council approve a supplemental budget request in the amount of \$340,916.68 with \$200,116.68 to come from the Asset Seizure Fund (180-8000-2000) The remaining \$140,800 will be funded from the USDA Community Facilities Grant.

Currently the Asset Seizure fund has a balance of \$244,000 and we are expecting approximately \$90k-\$100k within the next three months. Currently there are \$40,000 in Asset Seizure set aside for to complete the outfitting of the two previous vehicles purchased leaving \$4,000 remaining if approved until a future distribution is made.

RECOMMENDED COUNCIL ACTION:

1. Receive staff presentation and review Council questions
2. Open Public Comment
3. Close Public Comment
3. Motion to Find that it is in the public's interest to negotiate for the purchase of new police vehicles and not require competitive bidding; Authorize the sole-source purchase of four (4) Chevrolet Tahoe patrol vehicles from Future Chevrolet Fleet Center in Sacramento, California for a total cost of \$240,916.68 and; Approve a supplemental budget request in the amount of \$340,916.68 to complete the purchase of outfitting of the new police vehicles. Voice vote.

ATTACHMENTS:

- Supplemental Budget Request
- Vehicle Purchase Quote
- Sole Source Justification