



City Council Agenda Item Staff Report

CITY OF SAN BRUNO

DATE: March 14, 2023

TO: Honorable Mayor and Members of the City Council

FROM: Jovan D. Grogan, City Manager

PREPARED BY: Matthew Lee, Public Works Director

SUBJECT: Adopt a Resolution Authorizing the Appropriation of Funds in the Adopted FY 2022-23 Operating Budget in Amounts Not to Exceed \$37,833.60 From the City's General Fund and \$18,916.80 From the YouTube Cost Recovery Account Fund to Fund the Remaining Purchase Cost of Six Police Patrol Vehicles

BACKGROUND: At the November 9, 2022 City Council Meeting, the City Council approved the purchase of six (6) Police Patrol Vehicles in the FY 2021-22 Operating Budget Vehicle Replacement schedule in an amount not to exceed \$494,490. The budget was funded from an appropriation of available funds in the General Equipment Revolving Fund. The total cost estimate for each Ford Interceptor patrol vehicles including all related equipment outfitting, sales tax, license, registration, and delivery was \$82,415. These vehicles were ordered by the City in December of 2021.

Due to complex global and financial markets caused by covid and subsequent inflation, Ford oversold manufacturing capacity for the model year 2022 which impacted the City's six ordered patrol vehicle approved in FY 2021-22. This was also evident in other markets as referenced in Resolution 2022-21 where increases to vehicle equipment budgets were approved as part of FY 2021-22 Q2 budget amendment. Ultimately by Ford overselling its order banks, the City's order, along with many other fleet orders, was moved from model year 2022 to model year 2023. During this move, Ford subsequently increased per-unit costs to its vehicles by \$9,458.40 per vehicle. On February 23, 2023 the City was notified by Ford that in order to process the City's order, an additional total budget authorization of \$56,751, or \$9,458.50 per vehicle, was required.

DISCUSSION: This agenda item serves to authorize the appropriation of funds in the adopted FY 2022-23 Operating Budget in amounts not to exceed \$37,833.60 from the City's General Fund and \$18,916.80 from the YouTube Cost Recovery Account Fund to fund the remaining purchase cost of six patrol vehicles. This additional cost increase the prices from the 2021 estimate of \$82,415 per vehicle by \$9,458.50 per vehicle for a total of \$91,873.50. This represents an 11.5% cost increase from 2021 to 2023. Below are updates and descriptions of these vehicles:

- FY 2022-23 Fleet Replacement: Four (4) replacement patrol vehicles. This is in accordance with the City's vehicle replacement and amortization schedule for Police Department marked patrol vehicles following five service years and 85,000 miles. The total existing budget authorization was \$329,660 for these four vehicles in the General Equipment Revolving

Fund The model year 2023 price cost increase for the four vehicles is \$37,833.60. The updated production date for these four vehicles is estimated for the middle of 2023.

- YouTube: Two (2) patrol vehicles. A Memorandum of Understanding (MOU) between YouTube, Inc. and the City of San Bruno, included funding from YouTube, Inc. for several services, including additional resources for neighborhood safety in the Bayhill Office Park area. Part of the MOU included purchase and outfitting of two (2) patrol vehicles. YouTube is responsible for the full cost of acquisition of these vehicles with an original budget authorization of \$164,830 in funding paid by YouTube, Inc, into the YouTube Cost Recovery Account Fund, and then transferred and appropriated into the General Equipment Revolving Fund. The model year 2023 increase for the two vehicles is \$18,916.80. The updated production date for these two (2) vehicles is estimated for the middle of 2023.

Procurement Method

To procure the four patrol vehicles from the FY 2021-22 replacement schedule and the two patrol vehicles funded by YouTube, staff used two government purchasing cooperatives approved, vetted, and listed with California's statewide contracts for fleet vehicles. The use of a government purchasing cooperative is in compliance with the State Public Contract Code and the City's local purchasing regulations. The six Police Department Ford Interceptor patrol vehicles will be purchased from the National Auto Fleet Group of Watsonville, California. Vendors were selected based on availability, price, and ability to provide all specifications. Outfitting of the police vehicles, including communications and storage components, will be provided by Lehr Auto Electric of Pittsburg, California, which was selected after review of vendors' capability to meet federal and City equipment requirements and location.

FISCAL IMPACT: The additional funds required for the four general use patrol vehicles will be funded from the adopted FY 2022-23 Operating Budget in an amount not to exceed \$37,833.60 from the City's General Fund, within the General Equipment Revolving Fund. There is sufficient fund balance available. The additional funds required for the two patrol vehicles in the amount of \$18,916.80 will be allocated from the YouTube Cost Recovery Account Fund, and if authorized to be expended will be transferred and appropriated into the General Equipment Revolving Fund.

ENVIRONMENTAL IMPACT: The action is not a project subject to CEQA. City Council's action is not considered a "Project" per CEQA Guidelines and therefore no further environmental analysis is required.

RECOMMENDATION: Adopt a Resolution authorizing the appropriation of funds in the adopted FY 2022-23 Operating Budget in amounts not to exceed \$37,833.60 from the City's General Fund and \$18,916.80 from the YouTube Cost Recovery Account Fund to fund the remaining purchase cost of six patrol vehicles.

ALTERNATIVES:

1. Do not authorize the appropriation of additional funds to purchase these vehicles, and direct staff to schedule any necessary repairs and continue on-going maintenance for the four Police Department patrol vehicles. Maintenance costs will increase potentially negating near-term cost savings.
2. Delay the acquisition of one or more of these vehicles to a future fiscal year.

ATTACHMENTS:

1. Resolution