



PROCUREMENT OF FLEET REPLACEMENT VEHICLES AND EQUIPMENT

PH-18-036

November 13, 2018

Background

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- Fleet Services maintains the annual vehicle replacement schedule that is approved during the budget process.
 - ▣ At times fleet replacement crosses fiscal years.
- Criteria used to establish the replacement schedule:
 - ▣ Available funding;
 - ▣ Vehicle age compared to the recommended replacement age;
 - ▣ Mileage or hours used;
 - ▣ Repair costs; and
 - ▣ Department and division feedback.
- Annual fleet replacement budget:
 - ▣ FY 2017 - \$752,155
 - ▣ FY 2018 - \$4,444,596
 - ▣ FY 2019 - \$4,613,300

Procurement Information

- ❑ Total of 40 pieces of fleet are being procured at a cost of \$3 million.
 - ▣ Public Safety – 32 pieces of fleet (\$2.1 million).
 - ▣ Public Works – 8 pieces of fleet (\$900,000).
- ❑ FY 2019 fleet replacement - \$1.7 million.
 - ▣ Funds are in the FY 2019 Budget.
- ❑ FY 2018 fleet replacement - \$1.3 million.
 - ▣ Requires a budget amendment.
- ❑ Vehicle and equipment purchases are in compliance with the Local Government Code and the City's Purchasing Policy.

Budget Amendment

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- Purpose of budget amendment
 - ▣ Establish budget for procurement of approved FY 18 fleet replacement vehicles and equipment in FY 19 Budget.
- Fiscal Impact
 - ▣ Total budget amendment- \$1,293,309.
 - ▣ Funding is available in the Fleet Internal Service Fund (ISF).
 - ▣ Fleet ISF budget will increase \$1,293,309 to move funds to the appropriate Capital Improvement Project (CIP) Fund.
 - Governmental CIP Fund will increase \$1,101,613.
 - Water & Sewer CIP Fund will increase \$121,650.
 - Drainage CIP Fund will increase \$70,046.

Alternatives

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- Option 1: Defer replacement.
 - ▣ This will cause the departments to operate in a reduced resource capacity, incur increased maintenance costs, and lose residual value.
- Option 2: Replace the fleet and approve the budget amendment.
 - ▣ This provides for safe and effective delivery of emergency and utility services and achieves the least cost of ownership.

Recommendation

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Staff recommends that City Council approve the ordinance amending the FY 2019 Budget, the procurement of the fleet, and that the City Manager or designee be authorized to execute any change orders as permitted by state and local law.