



Agenda Item # _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Montgomery and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Bruce Moe, Finance Director
Gwen Eng, General Services Manager

DATE: September 2, 2008

SUBJECT: Consideration of the Budgeted Purchase of One Hybrid Vehicle for the Community Development Department from Wondries Fleet Group in the Amount of \$27,726.90

RECOMMENDATION:

Staff recommends that the City Council award of RFB #750-09 to Wondries Fleet Group in the amount of \$27,726.90 for the purchase of one hybrid vehicle.

FISCAL IMPLICATION:

Funds totaling \$28,200 are budgeted in the FY 2008-2009 Fleet Management Fund (\$22,200) and AB 2766 Subvention Fund (\$6,000) for the purchase and equipping of this vehicle with the usual necessary equipment (warning lights, electronics, etc.). The AB 2766 Subvention Fund monies can be applied to the purchase of alternative fuel vehicles to fund the difference between the cost of a gasoline-powered and alternative fueled vehicles. By using these funds, the City takes advantage of grant monies and lessens the impact on the Fleet Management Fund.

DISCUSSION:

In May 2008, the City Council approved the FY 2008-2009 budget, which includes the purchase of several new and replacement vehicles. One of those vehicles is a replacement slated for the Principal Building Inspector, whose current vehicle is a 2001 Ford Taurus with approximately 52,000 miles. Since purchasing this unit, it has been plagued with transmission and engine problems, which remain an issue today. Therefore, this vehicle is no longer economical or feasible to maintain.

Where possible and practical, we have specified "green" vehicles in keeping with our efforts to be more environmentally-friendly. Therefore, staff is recommending that this vehicle be replaced with a Toyota Camry hybrid.

Historically, the City has purchased its vehicles by utilizing larger agencies' existing contracts. This is done because the State of California, L.A. County, and other large agencies purchase in greater quantities and consequently obtain preferential pricing. Because these contracts did not offer the same vehicle, staff solicited bids independently.

Bid Recaps

A total of five vendors including one Manhattan Beach dealership were sent formal bid requests and four responses were received. The comparison below shows the aggregate price including sales tax, payment discounts, rebates, and other fees. The low bid is in bold lettering:

<u>Bidder</u>	<u>Camry Hybrid</u>
1. Wondries Fleet Group	\$27,726.90
2. Longo Toyota	\$28,573.76
3. DCH Torrance Toyota	\$29,911.73
4. Power Toyota Cerritos	\$34,297.93

In reviewing the bid submittals, Wondries Fleet Group offered the lowest bid for this vehicle. The Federal Tax Credit for hybrid vehicles is no longer available. If this purchase is approved, the existing unit will be surplus and auctioned for the highest attainable value. The new vehicle will arrive in approximately 60 days.