



Agenda Item #: \_\_\_\_\_

# Staff Report

## City of Manhattan Beach

**TO:** Honorable Mayor Cohen and Members of the City Council

**THROUGH:** Geoff Dolan, City Manager

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

**DATE:** March 17, 2009

**SUBJECT:** Consideration of the Purchase of One Budgeted Replacement Hybrid Utility Pick-Up Truck for the Fire Department from West Covina Motors (\$42,618.99)

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### **RECOMMENDATION:**

Staff recommends that the City Council award bid #771-09 to West Covina Motors in the amount of \$42,618.99 for the purchase of one replacement Fire vehicle and approve a supplemental appropriation of \$6,300 from AB 2766 Subvention Fund in order to fund the additional cost of the hybrid alternative.

### **FISCAL IMPLICATION:**

Funds totaling \$50,000 are budgeted in the FY 2008-2009 Fleet Management Fund for the purchase and equipping of this vehicle. This amount is insufficient to fully outfit the vehicle with the necessary emergency electronics (\$7,402.87), bed cover (\$1,500), and graphics (\$1,000). However, AB 2766 (Air Quality Management District) Subvention Fund monies can be applied to pay the difference between the cost of a gasoline-powered vehicle and an alternative (hybrid) fueled vehicle, which in this case is \$6,300. By using these funds, the City takes advantage of grant monies and lessens the impact on the Fleet Management Fund.

### **DISCUSSION:**

During the FY 2008-2009 Budget process, Council authorized the routine replacement of one utility vehicle, which is a 1993 Ford F250 pickup with approximately 97,945 miles. The vehicle is experiencing numerous problems, and due to its age, condition and pending replacement, is not economical to repair.

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 Chevrolet Silverado 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*

Three bid responses were received. The comparison below shows the aggregate price, including sales tax, discounts, and other fees.

<u>Bidder</u>	<u>Cost</u>
1. West Covina Motors	\$42,618.99
2. Power Chevrolet	\$43,333.43
3. Martin Chevrolet	No bid

This was staff's second attempt at bidding this requirement. Our first solicitation resulted in only two responses. Given the current economic conditions, and the severe drop-off in global vehicle sales, we believed that we should have received many more responses. Consequently, we re-solicited bids in an attempt to maximize proposals. While we still received only two bids on the second attempt, we were able to obtain a price \$5,000 below the initial low bid. We believe this new low bid to be fair and competitive. Consequently, staff recommends awarding to the lowest bidder, West Covina Motors, for the purchase of one vehicle, in the amount of \$42,618.99.

If this purchase is approved, the existing unit will be retired and sent to auction. The new vehicle will arrive in approximately 7-9 months.

cc: Jim Arndt  
Scott Ferguson