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REPORT TO COUNCIL

SUBJECT

Amend a Purchase Order for Twelve (12) Interceptor Service Vehicles for the Department of Public Safety (F22-144)

REPORT IN BRIEF

Approval is requested to authorize the City Manager to amend a purchase order for twelve (12) Interceptor service vehicles to add \$109,538.76 (including tire fees and estimated sales tax), from National Auto Fleet Group of Watsonville for a total amount not to exceed \$685,436.64. This modification reflects a change in the purchase from 2022 model year vehicles to 2023 model year vehicles.

EXISTING POLICY

Pursuant to Section 2.08.040 of the Sunnyvale Municipal Code (SMC), Council approval is required for the procurement of good and/or services greater than \$250,000 in any one transaction.

In accordance with SMC Section 2.08.220(a), the purchasing officer may authorize the City's participation with one or more other governmental, public or quasi-public agencies in a cooperative agreement for the procurement of goods and/or services, provided that at least one of the agencies has solicited bids.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

BACKGROUND AND DISCUSSION

The City currently utilizes 35 vehicles for patrol, traffic, and crime prevention. The Department of Public Safety (DPS) has selected the Ford Explorer Police Interceptor SUV to serve as its primary patrol vehicle. The Interceptor has adequate interior volume to accommodate the dual public safety role and has been the proven choice of vehicle for patrol and K-9 operations for DPS for the last several purchase cycles. Additionally, fleet maintenance staff is trained to support and maintain Ford Interceptors. Ford offers a hybrid option, which is an included feature with these vehicles. The necessary vehicle retrofitting to meet the defined vehicle expectations of DPS will be performed through a separate contract issued under the City Manager's authority.

On June 28, 2022, Council approved the purchase of Twelve (12) new Interceptor SUV's (RTC No. 22-0616) to replace patrol units that have accumulated high mileage and are scheduled for replacement. Ford has experienced delays in manufacturing and as a result the initial purchase is

required to shift from model year 2022 to model year 2023, resulting in an increase in cost of \$109,538.76. Typically, staff would cancel the previous purchase order and recommend to City Council the approval of a new purchase order for the total purchase amount but due to the constraints from the dealership providing these vehicles a change in purchase order number would result in the City being replaced to the end of the production cycle line with very little confidence that it would be issued the 2023 model year vehicles. With this consideration, staff is requesting approval of an amendment to the existing purchase order to reflect the new model year and adjustment in cost for that vehicle.

Traditionally, the City has purchased fleet vehicles through various cooperative purchasing agreements or through a California Statewide Commodity Contract. The City has used National Auto Fleet Group contracts, which are procured by Sourcewell, many times in the past and has experienced better pricing than when bidding individually. Sourcewell is a national organization which competitively selects contractors and vendors who provide bulk pricing and volume discounts for public agencies to purchase the identified goods or services.

FISCAL IMPACT

The City's fleet vehicles are funded by the City's General Services Fund, Fleet Services Sub-Fund which provides for ongoing fleet equipment replacement. Funding is provided through internal service charges from the various affected departments based on the equipment used. The amendment to the purchase order will increase the total cost of this purchase from \$575,897.88 to \$685,436.64. There is sufficient funding in the Fleet Equipment Replacement Account to absorb the increase for the current year and adjust funding with the FY 2023/24 Budget.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Public Library, Senior Center, Community Center and in the Department of Public Safety Lobby. In addition, the agenda and report are available at the Sunnyvale Public Library, Office of the City Clerk, and on the City's website.

RECOMMENDATION

Authorize the City Manager to Amend a Purchase Order to add \$109,538.76 for Twelve (12) Interceptor Service Vehicles from National Auto Fleet Group (F22-144) for a total amount not to exceed \$685,436.64.

Prepared by: Gregory S. Card, Purchasing Officer
Reviewed by: Tim Kirby, Director of Finance
Approved by: Kent Steffens, City Manager