



CONSENT CALENDAR

City of San Bernardino Request for Council Action

Date: May 15, 2024

To: Honorable Mayor and City Council Members

From: Charles A. Montoya, City Manager
Lynn Merrill, Director of Public Works, Operations & Maintenance

Department: Public Works

Subject: **Increase Annual Purchase Order for Fairview Ford (All Wards)**

Recommendation:

It is recommended that the Mayor and City Council of the City of San Bernardino California Adopt Resolution No. 2024-109

1. Authorizing the Director of Finance & Management Services to approve an increase in the purchase order for Fairview Ford from \$230,000 to a new not to exceed amount of \$300,000; and
2. Authorizing the extension of the purchase order agreement with the option for another five years of single year annual renewal, through fiscal year 2028/2029.

Executive Summary

The current Purchase Order for Fairview Ford stands at \$230,000, allocated for the maintenance and repair of police vehicles. However, due to escalating costs and deferred maintenance on these critical assets, it is imperative to increase the Purchase Order to \$300,000. This increase is necessary to effectively cover the rising expenses associated with vehicle upkeep and ensure the continued operational readiness of our police fleet.

Background

The Fleet Division of the Public Works Department operates and maintains over 350 Ford vehicles ranging from sedans to F-550 trucks. The City's fleet comprises a significant number of aging vehicles, including those utilized by our law enforcement agencies. These vehicles have surpassed their expected service life, leading to additional costs associated with these vehicles.

On November 1 and November 10, 2021, staff publicized a Request for Quote (RFQ)

on the City's website using Plant Bids (RFQ F 22-24 for Ford parts & supplies and RFQ F 22-27 for automotive body repairs and paint). Based on the RFQ results, Fairview Ford was selected as the lowest qualified bidder for the supply of parts, service, and auto body repairs.

Since the start of this annual purchase order the fleet has grown in new vehicles and existing vehicles have aged. On April 17th, 2024, the police department purchased 16 new Ford vehicles which will also increase the amount of funding needed. Additionally, police vehicles are sometimes involved in collisions making it necessary to repair.

Discussion

The timely repair of vehicles is crucial for maintaining operational effectiveness and ensuring the safety of our law enforcement officers. Delayed maintenance not only increases the risk of mechanical failures but also prolongs vehicle downtime, hampering response times and overall efficiency. Therefore, it is imperative that we allocate sufficient resources to address maintenance issues promptly and keep our police fleet in optimal condition.

In addition to addressing the immediate need for increased funding, there is also a compelling case for extending the purchase order for Fairview Ford for an additional five years. This extension would provide stability and continuity in vehicle maintenance planning, allowing for more efficient budgeting and resource allocation over the long term. By committing to a multi-year procurement arrangement, we can leverage economies of scale, negotiate favorable pricing, and streamline administrative processes, ultimately maximizing the value of taxpayer dollars.

2021-2025 Strategic Targets and Goals

Approval of this annual purchase order aligns with Key Target No.1: Improved Operational & Financial Capacity - As it supports the objective of minimizing risk and litigation exposure through timely replacement of parts, service, and body repairs that do not compromise Ford warranties and helps to maintain current assets.

Fiscal Impact

There is sufficient funding for this action in the FY 2023/24 operating budget.

Conclusion

It is recommended that the Mayor and City Council of the City of San Bernardino California Adopt Resolution No. 2024-109

1. Authorizing the Director of Finance & Management Services to approve an increase in the purchase order for Fairview Ford from \$230,000 to a new not to exceed amount of \$300,000; and
2. Authorizing the extension of the purchase order agreement with the option for another five years of single year annual renewal, through fiscal year 2028/2029.

Attachments

1. Attachment 1 Resolution 2024-109
2. Attachment 2 Professional Services Agreement – Fairview Ford

Ward:

All Wards

Synopsis of Previous Council Actions:

July 7, 2014	The Mayor and City Council adopted Resolution No. 2014-260 approving an agreement and issuance of an annual purchase order in the amount of \$116,000 with three single year renewal options
September 6, 2017	The Mayor and City Council adopted Resolution No. 2017-168 approving an agreement and issuance of an annual purchase order in the amount not to exceed \$120,000 with three single year renewal options.
April 21, 2021	The Mayor and City Council adopted Resolution No. 2021-95 approving an agreement increasing the amount not to exceed \$140,000.
March 2, 2022	The Mayor and City Council adopted Resolution No. 2022-49 approving annual agreement of a not to exceed amount of \$230,000. With an option for four single year renewal options to the Public Works Fleet Division for services and maintenance