

AGENDA ITEM #: \_\_\_\_\_

DATE: June 10, 2019

CAR #: 2019-6681



## CITY COUNCIL ACTION REPORT

**SUBJECT:** Approval of Budgeted FY2020 Fleet Funds for the Purchase and Up-fitting of Public Safety and Other Department Work Truck Vehicles

**STAFF PRESENTER(S):** Charles Schneider, Fleet and Equipment Management  
Superintendent

**OTHER PRESENTER(S):** N/A

**Summary:** Request City Council approval to purchase FY2020 Fleet Asset Replacement and supplemental vehicles for public safety and other department work trucks through two State contracted Chevrolet vendors.

**Recommendation:**

Approve FY2020 expenditures in the General Fund, Wastewater Enterprise Fund, and Solid Waste Enterprise Fund in the amount of \$2,532,000 for the purchase and up-fitting of replacement and new vehicles from Midway Chevrolet and Courtesy Chevrolet.

**Fiscal Impact:** The FY2020 budget includes the following for these purchases:

\$1,511,000 – Fleet Asset Management Funds  
\$ 859,800 – General Fund  
\$ 130,000 – Wastewater Enterprise Fund  
\$ 31,200 – Solid Waste Enterprise Fund  
\$2,532,000 – Total Amount Budgeted

### Background and Previous Actions

Per Resolution 08-1255 all expenditures of budgeted funds in excess of \$500,000 must obtain council approval. The purchase of vehicles from Midway Chevrolet and Courtesy Chevrolet will start early in FY2020 and continue throughout the year based on unit availability of vehicles and best price. In FY2019, the city spent approximately \$414,382 with Midway Chevrolet and \$667,678 with Courtesy Chevrolet for General Motors vehicle purchases. Although the exact amount with each vendor is not known at this time, the city expects to spend up to \$2,532,000 in FY2020.

## Staff Analysis

This request is limited to purchasing and up-fitting public safety vehicles and other department work trucks as most of these purchases will be made through two Chevrolet dealerships. Staff further recommends piloting a vehicle purchase process that would include the unit purchase and up-fitting to be performed by the assigned dealer. Staff will then evaluate the success of the program which is expected to streamline purchase and up-fitting processes.

Staff is currently updating Fleet utilization policies for light duty vehicles (e.g. reviewing systems to minimize underutilized vehicles and rightsizing of the fleet). Once these updates are complete, purchases of these vehicles will be reviewed and approved through the city's procurement process.

The city utilizes cooperative purchasing agreements through Maricopa County and the State of Arizona, which meet the purchasing requirements of the city. Once funding is approved, the Fleet Division reviews operational needs with each department. If another manufacturer better meets operational needs and a vehicle is purchased from another vendor, the total amount spent with Midway Chevrolet and Courtesy Chevrolet will be reduced accordingly.

### **Summary of Public Safety Vehicles and Other Department Work Trucks anticipated to be purchased through these two vendors:**

<b>Fleet Units</b>	<b>Asset Replacement</b>	<b>FY2020 Supplementals</b>
Police	20	10
Fire	2	0
Development Services	0	2
Engineering	3	2
Parks	0	1
Public Works	4	4
<b>Total Units</b>	<b>29</b>	<b>19</b>

## Attachments

None