



City Council Staff Report

Date: September 16, 2015 CONSENT CALENDAR

Subject: AUTHORIZE THE PURCHASE OF A NEW REPLACEMENT VEHICLE FOR THE POLICE DEPARTMENT IN AN AMOUNT NOT TO EXCEED \$70,000

From: David H. Ready, City Manager

Initiated by: Marcus L. Fuller, Assistant City Manager/City Engineer

SUMMARY

Approval of this item will authorize the purchase of a new jail transport van in an amount not to exceed \$70,000 to replace an existing 1998 Ford E-350 van currently used by the Police Department.

RECOMMENDATION:

- 1) Authorize the purchase of one new jail transport van (conventional gasoline [non-CNG] vehicle) to replace Unit #209098 (1998 Ford E-350 CNG Van) in an amount not to exceed \$70,000; and
- 2) Authorize staff to conduct the appropriate bid processes, or utilize cooperative purchase contracts if available, in accordance with Procurement procedures and authorize the City Manager to execute all necessary documents, including a Purchase Order for the new van, in an amount not to exceed \$70,000.

STAFF ANALYSIS:

The Police Department currently uses a 1998 Ford E-350 transportation van (identified as Unit #209098) for transportation to the Larry D. Smith Correctional Facility located in Banning (approximately 50-mile round trip), and the Correctional Facility in Indio (approximately 40 miles roundtrip). The existing van is 17 years old, has over 90,000 miles and is outfitted with a compressed natural gas (CNG) fuel system, which has a limited range of 115-miles per tank.

ITEM NO. 25

Motor Vehicle Replacement Policy

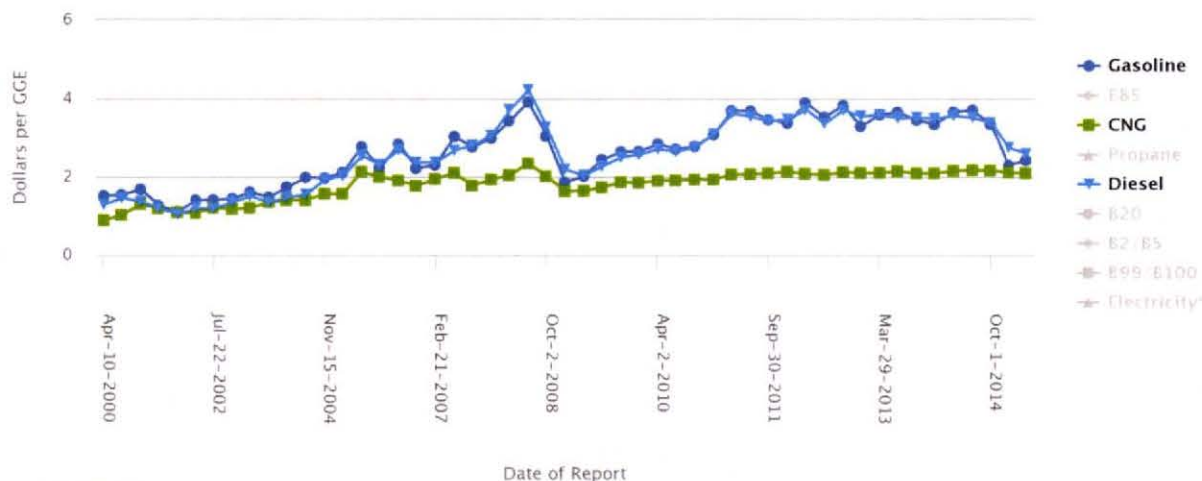
On June 5, 1996, the City Council adopted Resolution No. 18834, establishing a new Equipment Replacement Policy. Section II "Replacement Schedule" outlined a requirement to replace vehicles within a certain number of years or mileage varying on the type of vehicle (safety vehicles replaced more frequently vs. general staff vehicles). A copy of Resolution No. 18834 is included as **Attachment 1**. However, over the last several years during the economic recession, as part of its adoption of the City's budgets the City Council has suspended Section II of Resolution No. 18834 deferring mandatory vehicle replacement solely on vehicle age or mileage; vehicle replacement has occurred on an emergency basis focused on replacing vehicles damaged in accidents, and has primarily focused on public safety vehicle replacements. Currently, the backlog on vehicle replacement consistent with the Replacement Schedule policy adopted as part of Resolution No. 18834 is being evaluated to make a recommendation to City Council on a long term replacement program.

Section VI of Resolution No. 18834 adopted a policy for replacing vehicles with alternate fuel vehicles via purchase or conversion. In accordance with this environmentally-friendly policy, most general purpose vehicles have been purchased with CNG fuel systems. However, in this instance, the Police Chief is requesting a non-CNG van to address two specific reasons. First, when the CNG van requires service, there is a longer outside service "down time" which effects his ability to transport arrested individuals to jail facilities. Also, the Department's experience with air conditioning in the passenger compartment of the CNG van has been problematic in keeping the interior at an adequate temperature level during the Summer.

Although the main purpose of the CNG policy is air quality, the fuel efficiency of CNG fuel vehicles is often less than conventional gasoline or diesel fuel vehicles which further limit its range. Also, CNG fuel vehicles; unlike a gasoline fuel system that delivers full power until the gas tank is empty, the CNG system will only deliver full power when the CNG fuel tank is under full pressure – as the CNG fuel tank is depleted the pressure drops and performance of the vehicle decreases.

It is worth noting that the use of CNG and alternative fuel vehicles occurred over 10 years ago when CNG was generally at least \$1 per gallon less than traditional gasoline or diesel fuel. However, recently the cost for CNG-fuel is \$2.30 per gallon vs. the wholesale cost for gasoline fuel of \$2.32 per gallon purchased by the City for distribution at the City Yard. A chart showing the historic cost comparison of CNG fuel vs. gasoline fuel is shown below:

Average Retail Fuel Prices in the U.S.



Last updated June 2015
 Printed on September 10

Although the cost for CNG fuel has remained relatively flat around \$2 per gallon, recently the cost for gasoline fuel has dropped making the economic incentive for CNG fuel vs. gasoline fuel less attractive.

Additionally, although CNG fuel vehicles eliminate pollution generated by conventional gasoline fuel vehicles, due to increasingly stringent emissions regulations, the gap has narrowed between the emissions benefits from CNG fuel vehicles and conventional vehicles with modern emissions controls. The U.S. Environmental Protection Agency (EPA) is now requiring all fuels and vehicle types to meet the same thresholds for emissions of air pollutants.

Given these facts, staff recommends that the existing CNG-fuel vehicle, 1998 Ford E-350 transportation van (identified as Unit #209098), be replaced with a new conventional gasoline fuel vehicle.

ENVIRONMENTAL IMPACT:

The requested City Council action is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

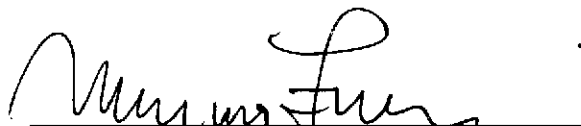
FISCAL IMPACT:

The City Council included an appropriation of \$500,000 for purchase of motor vehicles as part of its Fiscal Year 2015/2016 budget. Sufficient funds are available in the Motor Vehicle / Fleet Fund (Fund 510) in Account No. 510-5475-50020.


In addition to the \$500,000 Fiscal Year 2015/2016 appropriation for motor vehicle replacements, the Motor Vehicle / Fleet Fund carries a Fund Balance of approximately \$550,000.

SUBMITTED:

Prepared by:



Marcus L. Fuller, MPA, P.E., P.L.S.
Assistant City Manager/City Engineer



David H. Ready, Esq., Ph.D
City Manager

Attachments:

1. Resolution No. 18834

ATTACHMENT 1

RESOLUTION NO. 18834

OF THE CITY COUNCIL OF THE CITY OF PALM
SPRINGS, CALIFORNIA, ESTABLISHING A NEW
REPLACEMENT POLICY FOR CITY EQUIPMENT.

WHEREAS Resolution No. 14138, adopted on February 3, 1982, modified the City Equipment Replacement Policy established by Resolution No. 8521, adopted November 8, 1965; and

WHEREAS equipment reliability and longevity has increased as technology has been perfected subsequent to the last update of the Equipment Replacement Policy; and

WHEREAS staff, utilizing best management practices during the City's continuing efforts to balance its budget, has endeavored to extend the service of City equipment beyond the established policy life of the equipment; and

WHEREAS it is now desirable to establish a new Equipment Replacement Policy to formally increase the length of time or mileage the vehicles will be operated by the City before replacement; and

WHEREAS it is also desirable to incorporate language related to the introduction of alternate fuel vehicles in the City fleet,

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Palm Springs that:

Section I: Resolution #14138 and any and all other previous Resolutions related to the City Equipment Replacement are hereby rescinded.

Section II. Replacement Schedule: City vehicles shall be replaced in accordance with the following schedule, provided that the Assistant Director of Transportation, Surface Transportation & Energy (Fleet Manager) shall have the responsibility of determining whether exceptionally good or exceptionally poor vehicles shall be replaced in accordance with the Replacement Schedule or possibly retained for a greater or lesser period, and upon such determination, departure from the schedule is allowed, subject to the approval of the Director, Department of Transportation:

REPLACEMENT SCHEDULE

<u>Vehicle Type</u>	<u>Replacement</u>
1. Motorcycles	4 years*
2. Staff cars (Bought Used)	6 years or 70,000 miles
3. Police Patrol Units	3 years or 90,000 miles
4. Police Detective Units (Bought Used)	6 years or 70,000 miles
5. Truck & Pickups	
A. Light Duty (Up To 3/4 Ton)	8 years or 80,000 miles
B. 1 Ton & Over	10 years

*Note: Age is based on model year.

6. Specialized Equipment
(Such as Fire Trucks
Sweepers, etc.)

To be determined by the Fleet
Manager in consultation with the
user Department, subject to the
approval of the Director,
Department of Transportation based
on physical inspection and analysis
of current operating cost data and
mandated Regulations.

7. Equipment Loss Due To Accident Immediately.

Section III. Vehicle Assignment/Rotation: Authorized vehicles are assigned to the various user departments via the budget process. User departments shall determine whom within their department utilizes which vehicle, except that the City Manager shall authorize and assign take-home vehicles. The Fleet Manager, after consulting with user departments, and with the consent of the Director, Department of Transportation, may rotate vehicles between user departments for operational efficiency or to extend the useful life of said vehicle.

Section IV. Methods of Acquisition: The Fleet Manager shall acquire City equipment in accordance with the City's Procurement Ordinance.

Section V. Methods of Disposal: The Fleet Manager shall dispose of surplus equipment in accordance with the City's Procurement Ordinance. Surplus equipment may be traded in on new or used equipment provided that the value of the trade shall be included as part of the total expenditure for the purpose of determining Procurement Ordinance limits compliance.

Section VI. Alternate Fuel Vehicles: The Fleet Manager shall make every effort to incorporate alternate fuel vehicles within the fleet via purchase or conversion. Whenever a vehicle is replaced, that operationally is suited for alternate fuel usage, there is a proven track record for the specific type of vehicle being replaced, and the specific "engine family" is approved for use in California by the California Air Resources Board, the bid shall include a comparison of gasoline/diesel equipment vs alternate fuel equipment.

Section VII. Accessories: After market accessories that are purchased to properly equip a piece of equipment to carry out its designated function, shall be included in the overall capital cost component of the City's Motor Vehicle Replacement account for the particular vehicle to ensure the vehicle user department bears the full cost of its equipment.

Section VIII. Reporting Format: When a vehicle is being replaced requiring City Council approval, the Staff Report shall include the following information:

Vehicle type, Identification Number of the vehicle (except for undercover vehicles), vehicle use characteristics, description of why it is being replaced, special needs or equipment, alternate fuel options/discussion.

ADOPTED this 5th day of June, 1996.

AYES: Members Barnes, Hodges, Oden, Spurgin and Mayor Kleindienst
NOES: None
ABSENT: None

ATTEST:

CITY OF PALM SPRINGS, CALIFORNIA

By [Signature]
City Clerk

[Signature]
City Manager

REVIEWED & APPROVED AS TO FORM W.W.