



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 5, 2021

FROM: GENERAL SERVICES DEPARTMENT WARDS: ALL

SUBJECT: MEASURE Z – WAIVE FORMAL PROCUREMENT PROCESS FOR PURCHASE OF NEW AND USED VEHICLES FOR THE POLICE DEPARTMENT IN AN AMOUNT ESTIMATED AT \$65,000 PER VEHICLE FOR A TOTAL NOT TO EXCEED AMOUNT OF \$1,300,000 WITH VARIOUS VENDORS ENDING JUNE 30, 2022.

ISSUE:

Waive the formal procurement process and authorize the purchase of new and used vehicles for the police department in an amount estimated at \$65,000 per vehicle for a total not to exceed amount of \$1,300,000, subject to the availability of budgeted funds, with various vendors ending June 30, 2022.

RECOMMENDATIONS:

That the City Council:

1. With at least five affirmative votes, waive the formal procurement process per section 602(m) of Purchasing Resolution 23256 and authorize the purchase of new and used vehicles for the Police Department in an amount estimated at \$65,000 per vehicle for a total not to exceed amount of \$1,300,000, subject to the availability of budgeted funds, with various vendors ending June 30, 2022; and
2. Authorize the City Manager, or designee, to execute the individual Purchase Orders and all necessary documents as needed for these individual purchases with all authority for such expiring on June 30, 2022.

BACKGROUND:

To help address service cuts as well as a portion of the City’s critical unfunded needs, at staff’s recommendation, the Mayor and the City Council placed Measure Z on the November 8, 2016 ballot. The measure authorized a one-cent increase in the City’s sales tax rate and was approved by over 60% of Riverside voters. The collection of the additional one-cent sales tax began on April 1, 2017.

After hearing recommended Measure Z spending options from City staff and the Budget Engagement Committee (BEC), on May 16, 2017 the City Council approved the Measure Z Spending Plan. As part of the Measure Z Spending Plan, the City Council approved funding for a Police Vehicle Replacement and Maintenance Plan in the amount of approximately \$2.2 million per year.

DISCUSSION:

The Police Department has a need to purchase individual vehicles of all types to replace an aging fleet and for use in special assignments by the Department. Normally the vehicles would be purchased through the informal procurement process whereby vehicle specifications would be sent to a minimum of three vendors and quotes would be requested in an effort to obtain the best and lowest price for the City. Any single purchase or total purchase with a single vendor exceeding \$50,000 would be brought before City Council for approval.

However, in recent months it has become exceedingly difficult to purchase a new or used vehicles of any kind for the Department. Due to global microchip shortages and other production delays, the supply of vehicles has decreased but the demand continues to remain the same or has increased. Many dealerships are selling their vehicles on a first-come, first-served basis and are unwilling to hold vehicles in order to facilitate conventional City procurement processes.

Additionally, the cost of vehicles has increased due to the decrease in supply. The Consumer Price Index (CPI) for new urban vehicles reflects an increase of 5.3% in June 2021 compared to a 0.6% increase in June 2019 and a 0.2% decrease in June 2020, as shown in Attachment 1 to this report.

In order to meet the vehicle needs of the Police Department in a timely manner so sworn personnel can carry out their daily functions, it is proposed City Council waive the formal D, Fleet Division to purchase new and used vehicles on behalf of the Police Department, upon need, in an amount estimated at \$65,000 per vehicle, for a total not to exceed amount of \$1,300,000, subject to the availability of budgeted funds, with various vendors ending June 30, 2022.

This action is pursuant to Purchasing Resolution 23256, Section 602(m) which states, "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in the following circumstances: (m) When approved by the Manager, the City requires Goods not subject to the bidding requirements of Section 1109 of the City Charter, which are of such a nature that suitable technical or performance specifications describing them are not readily available and cannot be developed in a timely manner to meet the needs of the City, in which case the Manager shall be authorized to negotiate with any Person or Persons for the Procurement thereof upon the price, terms and conditions deemed by the Manger to be in the best interest of the City and in doing so may utilize Informal Procurement or Negotiated Procurement process." Traditional procurement methods, where specifications would be developed and bids solicited, cannot timely meet the City's needs as current market conditions do not allow for the additional time necessary to prepare and publish such specifications. To do so could cause significant delays in obtaining much needed vehicles.

As this is a unique situation when it comes to the purchase of vehicles, this item will be revisited in June 2022 to determine if there is a need to extend the City Council's purchase authorization.

The Police Chief concurs with the recommended action.

The Purchasing Manager concurs that the recommended action to waive the formal procurement process for these purchases is in compliance with Purchasing Resolution No. 23256.

STRATEGIC PLAN ALIGNMENT:

This item contributes to Strategic Priority No. 2 *Community Well-Being* and Goal 2.6 - Strengthen community preparedness for emergencies to ensure effective response and recovery.

This item aligns with EACH of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Vehicles are required to meet the operational needs of the Police Department. The timely purchase of police vehicles strengthens community trust by ensuring Police Department staff equipped to perform basic functions and meet the public safety needs of the community.
2. **Equity** – The Police Department endeavors to provide public safety services to all residents in the City of Riverside. In order to achieve this goal, the Police Department requires specialized vehicles and equipment. Reliable vehicles help the Police Department ensure that every member of the community has equal access to share in the benefits.
3. **Fiscal Responsibility** – The General Services Department, Fleet Division is proposing this purchase in accordance with Purchasing Resolution 23256, Section 602(m) to ensure the best price, terms and conditions are negotiated to purchase department vehicles.
4. **Innovation** – The Police Department requires specialized vehicles and equipment to meet the changing needs of the community. The proposed purchase authorization provides an innovative solution to allow the Police Department to acquire the necessary vehicles in a more timely fashion during a global vehicle shortage.
5. **Sustainability & Resiliency** – Replacing the Police Departments aging fleet allows the Police Department to meet the needs of the present without compromising the needs of the future. Newer vehicles will reduce the Police Departments carbon footprint.

FISCAL IMPACT:

The total fiscal impact of the action is \$1,300,000. Funds are budgeted and available in Measure Z Fund, Police Field Operations, Vehicle Replacement Account 8001201-450057.

Prepared by: Carl Carey, General Service Director
Certified as to availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Kris Martinez, Interim Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. CPI for New Urban Vehicles
2. Measure Z Spending Plan