



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: AUGUST 15, 2023

FROM: GENERAL SERVICES DEPARTMENT WARDS: ALL

SUBJECT: MEASURE Z – WAIVE THE FORMAL PROCUREMENT PROCESS FOR THE PURCHASE OF NEW AND USED VEHICLES, MOTORCYCLES INCLUDED, FOR THE POLICE DEPARTMENT AND PUBLIC SAFETY ENGAGEMENT TEAM IN AN ESTIMATED AMOUNT OF \$65,000 PER VEHICLE FOR A TOTAL NOT TO EXCEED AMOUNT OF \$3,100,000 WITH VARIOUS VENDORS FOR A SIX-MONTH TERM ENDING JANUARY 31, 2024.

ISSUE:

Waive the formal procurement process and authorize the purchase of new and used vehicles, motorcycles included, for the Police Department and Public Safety Engagement Team in an estimated amount of \$65,000 per vehicle for a total not to exceed amount of \$3,100,000, subject to the availability of budgeted funds, with various vendors for a six-month term ending January 31, 2024.

RECOMMENDATIONS:

That the City Council:

1. With at least five affirmative votes, waive the formal procurement process per section 602(p) of Purchasing Resolution 23914 and authorize the purchase of new and used vehicles, motorcycles included, for the Police Department and Public Safety Engagement Team in an estimated amount of \$65,000 per vehicle for a total not to exceed amount of \$3,100,000, subject to the availability of budgeted funds, with various vendors for a six-month term ending January 31, 2024; 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.

BACKGROUND:

Measure Z was placed 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.

In order to meet the vehicle needs of the Police Department in a timely manner, on September 6, 2022, the City Council waived the formal procurement process per section 602(p) of Purchasing Resolution No. 23812 and authorized the purchase of new and used vehicles, motorcycles included, for the Police Department in an amount estimated at \$65,000 per vehicle for a total not to exceed amount of \$1,700,000, subject to the availability of budgeted funds, with various vendors ending June 30, 2023.

Shortly after this approval, it was learned that order cutoffs were pending for the Police Interceptor Ford Explorers. It was determined to be in the best interest of the Police Department, the City of Riverside, and the safety of the public to secure the purchase of twenty-five pursuit units with the approved funding in the total amount of \$1,307,248.50. At the same time, purchases were made for four motorcycles in the total amount of \$134,332.84. As a result of securing the order for the Police Interceptor Ford Explorer and purchasing the motorcycles, the balance of funds was immediately reduced.

On January 24, 2023, City Council approved a carryover of unexpended funds of approximately \$3.3 million in the General Fund and \$39.3 million in other City Funds into Fiscal Year 2022/23. The amount of \$863,791.70 Measure Z Funds was carried over into Spending Item #12 – Police Vehicle Replacement and Maintenance Plan.

On March 28, 2023, City Council approved an increase in spending authority for the purchase of new and used vehicles, motorcycles included, for the Police Department in the amount of \$863,791.70 for a total amount not to exceed \$2,563,791.70 with a continued individual vehicle limit of \$65,000.

Between September 6, 2022 and June 30, 2023, the Police Department purchased 49 vehicles for a total amount of \$2,182,110.88.

DISCUSSION:

As a result of the continued volatility of the automotive market, it remains exceedingly difficult to purchase new or used vehicles of any kind for the Police Department and Public Safety Engagement Team (PSET). Though the supply of semiconductors and raw materials is gradually increasing, there are still microchip shortages that are predicted to remain through 2023 and into 2024. Many dealerships still have a low supply of available vehicles and are selling them on a first come, first serve basis and are unwilling to hold vehicles in order to facilitate conventional City procurement processes.

The City Council is asked to continue to waive the formal procurement process and authorize the purchase of new and used vehicles, including but not limited to, patrol vehicles, unmarked vehicles, Code Enforcement vehicles, PSET Outreach vehicles, undercover vehicles, and motorcycles, for the Police Department and Public Safety Engagement Team in an amount estimated at \$65,000 per vehicle for a total not to exceed \$3,100,000, subject to the availability of budgeted funds, with various vendors for a six-month term ending January 31, 2024.

The proposed total purchase amount of \$3,100,000 will allow the Police Department to purchase a minimum of 26 vehicles and Public Safety Engagement Team to purchase a minimum of 21 vehicles at an estimated purchase price of \$65,000 per vehicle. Last fiscal year, the average price per vehicle was approximately \$45,000 with costs ranging from approximately \$26,000 to \$61,000 per vehicle.

This action is pursuant to Purchasing Resolution 23914, Section 602(p) which states, "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances: ...(p) 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 Manager to be in the best interest of the City and in doing so may utilize Informal Procurement or Negotiated Procurement process".

The Police Chief concurs with the recommended action.

The Purchasing Manager concurs that the recommended actions are compliant with Purchasing Resolution 23914, Section 602(p).

STRATEGIC PLAN ALIGNMENT:

This item contributes to Strategic Priority No. 2 *Community Well-Being* and will allow the Police Department and Public Safety Engagement Team to continue to meet the following goals:

- Goal No. 2.4. Support programs and innovations that enhance community safety, encourage neighborhood engagement, and build public trust.
- Goal No. 2.5. Foster relationships between community members, partner organizations, and public safety professionals to define, prioritize, and address community safety and social service needs.
- Goal No. 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 for the Police Department and Public Safety Engagement Team 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. 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 23914, Section 602(p) and will do its best to ensure the best price, terms and conditions are negotiated. Measure Z funding was previously approved for replacement and revitalization of the Police Department and

Public Safety Engagement Team fleet therefore, no General Fund dollars will be used for this purchase authorization.

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 and Public Safety Engagement Team 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 \$3,100,000. The funds are available in the Measure Z Fund, Police Field Operations, Vehicle Replacement Account 8001201-450057 and Public Safety Engagement Team, Vehicle Replacement Account 8003901-450057. Appropriations for future fiscal years will be included in the Department's Budget submissions for those fiscal years to be presented to the City Council for approval.

Prepared by:	Carl Carey, General Services Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Edward Enriquez, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Attachments:

1. Presentation