



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: JULY 19, 2022**

**FROM: GENERAL SERVICES DEPARTMENT** **WARDS: ALL**

**SUBJECT: MEASURE Z – SECOND AMENDMENT TO THE SERVICES AGREEMENT WITH INNOVATIVE DESIGN AND SHEET METAL PRODUCTS, INC. DBA INNOVATIVE EMERGENCY EQUIPMENT TO INCREASE COMPENSATION BY \$150,000 PER YEAR FOR A TOTAL ANNUAL AMOUNT OF \$550,000**

## **ISSUE:**

Approve the Second Amendment to the Services Agreement with Innovative Design and Sheet Metal Products, Inc. dba Innovative Emergency Equipment to increase compensation by \$150,000 per year for a total annual amount of \$550,000.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve the Second Amendment to Services Agreement with Innovative Design and Sheet Metal Products, Inc. dba Innovative Emergency Equipment to increase compensation by \$150,000 per year for a total annual amount of \$550,000 for the term ending September 30, 2024; and
2. Authorize the City Manager, or designee, to execute the Second Amendment to the Services Agreement with Innovative Design and Sheet Metal Products, Inc. dba Innovative Emergency Equipment, including making minor and non-substantive changes.

## **BACKGROUND:**

On November 19, 2019, the County of Riverside approved an amendment to the existing Professional Services Agreement with Innovative Design and Sheet Metal Products, Inc., West Coast Lights and Sirens, Greg T. Johnson, and 10-8 Retrofit for the removal and installation services of equipment/parts for Sheriff's vehicles. The amendment extended the initial contracts with all the vendors listed above for five additional years through September 30, 2024.

On December 3, 2019, the City Council approved a Service Agreement with Innovative Design and Sheet Metal Products, Inc. for the outfitting of 22 police pursuit vehicles for a two-year term with three additional one-year options. Before the end of the initial two-year term of this contract, the scope of work was completed, and the approved funds were expended.

On July 20, 2021, the City Council approved a Service Agreement with Innovative Design and Sheet Metal Products, Inc. dba Innovative Emergency Equipment for the purchase and installation of emergency equipment on police pursuit vehicles in the amount not to exceed \$400,000 annually or a total agreement amount of \$1 million for the term ending September 30, 2024.

Due to the rising cost of parts and market volatility, the 10% change order authority in the amount of \$40,000 was exercised for a total revised annual amount of \$440,000 for FY 2021/22.

### **DISCUSSION:**

The General Services Department is requesting approval to increase the annual purchase order amount for the remainder of the contract by \$150,000 per year for a total annual amount of \$550,000. The market for raw materials has become volatile, drastically increasing the total cost to outfit each pursuit vehicle. The Riverside Police Department (RPD) continues to be critically low on available pursuit vehicles which has had a direct impact on public safety. These additional funds will ensure that the pending and future pursuit vehicles will be outfitted quickly with the necessary emergency equipment needed for Police Officers to continue providing public safety to the City of Riverside.

Section 1104 of Purchasing Resolution 23812 allows for Change Orders and Amendments to existing Purchase Orders and Contracts. Section 1104 states that “Unless otherwise specifically authorized by the Awarding Entity, Change Orders which cumulatively exceed the following will require Awarding Entity approval” and then proceeds to state the conditions under which City Council approval would be needed. One of those conditions is subsection (c) which state that Awarding Entity approval is needed when a Change Order or amendment exceeds “10% of the original contract price for Contracts and/or Purchase Orders previously approved by the Awarding Entity and the total Change Order amount will not exceed \$150,000.” In an effort to maintain the highest level of public safety and keep police officers in vehicles, the General Services Department recommends approval of this request to facilitate vehicle outfitting.

The Purchasing Manager concurs that the recommendation to approve the amendment is in compliance with Purchasing Resolution 23812. The Chief of Police concurs with this report.

### **STRATEGIC PLAN ALIGNMENT:**

This item contributes to Strategic Priority No. 2 – *Community Well-Being* and Goal No. 2.4 – Support programs and innovations that enhance community safety, encourage neighborhood engagement, and build public trust.

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

1. **Community Trust** – Quickly outfitting police pursuit vehicles with emergency equipment builds community trust by allowing the Police Officers to, effectively and efficiently, respond to various calls throughout the City of Riverside.
2. **Equity** – The Riverside Police Department provides public safety services to all residents in the City of Riverside. Having readily available fully equipped pursuit vehicles helps in the achievement of this goal by ensuring Riverside Police Department employees have the resources necessary to enhance community safety.

3. **Fiscal Responsibility** – The General Services, Fleet Management Division is proposing this agreement in accordance with Purchasing Resolution No. 23812, Section 702(h) which, in the opinion of the Purchasing Manager, ensures the City is securing the best price option.
4. **Innovation** – In order to meet the community’s changing needs and prepare for the future, the Fleet Management Division is utilizing this agreement with Innovative Emergency Equipment to decrease the down time of new pursuit vehicles waiting to be outfitted which, as a result, will increase the number of available pursuit vehicles.
5. **Sustainability & Resiliency** – This contract will ensure that there will be an adequate number of pursuit vehicles available to keep the community safe.

**FISCAL IMPACT:**

The total fiscal impact of this recommendation is \$1,237,500. Sufficient funds are budgeted and available in the Measure Z Fund, Police Field Operations, Vehicle Replacement account no. 8001201-450057. 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.

The following table shows the annual fiscal impact of this action through the term ending September 30, 2024:

<b>Year 2 FY 2022/23</b>	<b>\$550,000</b>
<b>Year 3 FY 2023/24</b>	<b>\$550,000</b>
<b>Year 4 FY 2024/25 (through September 30)</b>	<b>\$137,500</b>
<b>Total Fiscal Impact</b>	<b>\$1,237,500</b>

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

Attachments: Second Amendment with Innovative Emergency Equipment