



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: JUNE 6, 2017**

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

**SUBJECT: AWARD BID NO. 7482 TO RACEWAY FORD, INC. OF RIVERSIDE, CALIFORNIA FOR THE PURCHASE OF EIGHT REPLACEMENT ETHANOL (E85) FUEL FORD F350 VEHICLES FOR THE PUBLIC UTILITIES - WATER FIELD OPERATIONS DIVISION IN THE TOTAL AMOUNT OF \$416,982.72**

## **ISSUE:**

Award Bid No. 7482 to Raceway Ford, Inc., Riverside, California, for the purchase of eight (8) replacement, ethanol (E85) fuel, Ford F350 vehicles for assignment to the Public Utilities Department, Water Field Operations division in the total amount of \$416,982.72.

## **RECOMMENDATIONS:**

That the City Council:

1. Award Bid No. 7482 to Raceway Ford, Inc., Riverside, California, for the purchase of eight (8) replacement, ethanol (E85) fuel, Ford F350 vehicles, for the Public Utilities Department in the amount of \$416,982.72;
2. Authorize the Purchasing Services Manager to issue a Purchase Order upon approval of the bids.

## **BACKGROUND:**

The Riverside Public Utilities Department (RPU) Water Field Operations Division is responsible for the construction and maintenance of water transmission and distribution systems in the City of Riverside. The Division has a need to replace eight of its aging trucks to support water field operations.

On March 29, 2017, the Purchasing Division of the Finance Department posted Bid No. 7482 for the purchase of eight (8) replacement, ethanol (E85) fuel, Ford F350 vehicles for use by RPU. Three (3) responses were received. The apparent low bidder was deemed non-responsive for not meeting the required specifications and the bid from Raceway Ford, Inc. was deemed the lowest responsive bidder in the amount of \$52,122.84 per vehicle for a total amount of \$416,982.72.

**DISCUSSION:**

The Fleet Division evaluates vehicle replacement criteria to insure the efficient management and replacement of vehicles. The vehicles proposed for replacement have exceeded their expected service life and require extensive repairs to be made serviceable as outlined in the table below.

The Fleet Division also makes purchasing recommendations to maintain the City's Green Fleet status and to comply with State air quality regulations. In the case of these vehicles, Compressed Natural Gas (CNG) is not available as a factory option. Therefore, Fleet recommends purchasing vehicles fueled by ethanol (E85) fuel.

E85 is a reliable alternative fuel that meets the requirement of South Coast Air Quality Management District (SCAQMD) Rule 1191 (clean on-road light- and medium-duty public fleet vehicles), which requires that public fleets acquire alternate-fuel vehicles to reduce pollutant emissions.

Asset No.	Year Make Model	In-Service Date	Mileage	Replacement Reason
C773	1999 Chevrolet C2500	10-30-1999	79,956	Despite low mileage, age and cost to correct numerous deficiencies warrant replacement.
C792	2000 Ford F250	02-29-2000	144,260	Age, mileage, and cost to replace numerous defects warrant replacement.
C812	2001 Dodge D250	02-08-2001	106,833	Despite low mileage, age and cost to correct numerous deficiencies warrant replacement.
C825	2001 Chevrolet C1500	05-31-2001	96,066	Vehicle sold in 2015.
C849	2002 Ford F250	04-03-2002	84,741	Despite low mileage, age and cost to correct numerous deficiencies warrant replacement.
C906	2004 Ford F350	02-27-2004	102,369	Despite low mileage, age and cost to correct numerous deficiencies warrant replacement.
C1056	2008 Ford F350	03-15-2007	112,440	Despite low mileage, age and cost to correct numerous deficiencies warrant replacement.
C1086	2008 Ford F350	10-26-2006	171,950	Age, mileage, and cost to correct a blown engine warrant replacement.

City Charter section 1202(b) requires the Board of Public Utilities to approve all expenditures in excess of \$50,000. As with all other City departments, the Fleet Division operates and maintains vehicles for use by RPU. RPU funds its portion of the Fleet Division by paying a monthly fee to the Fleet Division, which is apportioned for usage (gas), maintenance (mileage), and vehicle replacement. The monthly fees are approved by the RPU Board as part of the annual budget. The Fleet Division accumulates funds in the holding account for vehicle replacement. When the life of the vehicle is deemed to have expired, the Fleet Division will purchase replacement vehicles. The Fleet Division has sufficient funds from the budgeted RPU monthly payments to procure these vehicles, except for the \$8,971.57 which represents vehicle upgrades.

The Purchasing Services Manager and Public Utilities Department concur with the recommendation above.

**FISCAL IMPACT:**

Sufficient funds are included in the FY 2016-18 budget in the following accounts.

Account Description	Account Number	Amount
General Services Motor Pool Automotive Equipment	2215200-462100	\$408,011.15
Public Utilities Water Field Motor Pool Equipment Rentals (Utilities funding vehicle upgrades)	6205009330-42340006	\$8,971.57

Prepared by: Carl Carey, General Services Director  
Certified as to  
availability of funds: Scott G. Miller, PhD, Chief Financial Officer/City Treasurer  
Approved by: Marianna Marysheva, Assistant City Manager  
Approved as to form: Gary G. Geuss, City Attorney

Attachment: BID No. 7482 Recommendation