



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JUNE 18, 2019**

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

SUBJECT: MEASURE Z – REJECT ALL PROPOSALS FOR REQUEST FOR PROPOSALS NO. 1875 AND DISCONTINUE THE CROWN VICTORIA POLICE VEHICLE REFURBISHMENT PROGRAM

ISSUES:

Reject all proposals from Request for Proposals No. 1875 and discontinue the Crown Victoria Police Vehicle Refurbishment Program.

RECOMMENDATION:

That the City Council:

1. Reject all proposals from Request for Proposals No. 1875; and
2. Discontinue the Crown Victoria Police Vehicle Refurbishment Program.

BACKGROUND:

To help address service cuts and a portion of the City’s critical unfunded needs, at staff’s recommendation, the Mayor and 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 authorized by voters through Measure Z began on April 1, 2017.

After hearing recommended Measure Z spending options from City staff and the Budget Engagement Committee, on May 16, 2017, City Council approved the Measure Z Spending Plan, which included \$50,000 for a Pilot Police Vehicle Refurbishment Program (Program), and \$11,000,000 for Police Vehicle Replacement and Maintenance.

Prior to the approval of Measure Z, the Riverside Police Department, facing severe budget constraints impacting the purchase of new police vehicles, initiated a refurbishment program for existing police Crown Victoria (CV) vehicles. The refurbishment program was to be utilized as a stop gap measure until funding was available for new police vehicles.

On April 5, 2017, the City’s Purchasing Division issued Bid No. JC2103 for the Riverside Police Department (RPD) to Riverside Transmission Center (RTC) in the amount of \$5,238.96 to provide

automotive labor to refurbish two existing City-owned CV vehicles, and through piggyback procurement options and extending same pricing, RTC refurbished one additional vehicle for a total of three vehicles. In an effort to maximize cost savings, RPD elected to componentize the refurbishment process. RTC provided labor to remove and reinstall parts; Fritts Ford of Riverside supplied all Ford original equipment manufacturer (OEM) parts; paint and body work was performed by Maaco Collision Repair & Auto Painting (Maaco); and upholstery upgrades were provided by Barajas Upholstery (Barajas). All vendors and suppliers were located in the City. The total cost for all work performed for three vehicles was \$50,733.37 or \$16,911.12 per each refurbished vehicle. These three refurbished vehicles were existing vehicles in the RPD fleet, and all outfitting of vehicles including emergency lighting packages and communication equipment such as radios; siren controllers and other specialty equipment, were already installed on these vehicles.

On September 12, 2017, the City Council approved a recommendation from RPD to refurbish 10 additional City-owned CV vehicles for the Program in the amount of \$157,000, leveraging funding allocated in the Measure Z Spending Plan for Vehicle Replacement and Maintenance. New OEM replacement parts were purchased from Raceway Ford of Riverside for \$88,659.88; upholstery and paint work costs were \$37,975.38; and RTC provided labor to refurbish eight of the ten vehicles for the amount of \$15,985.64. The total cost to refurbish eight vehicles was \$142,620.90 or \$17,827.61 per vehicle. These vehicles were already outfitted and are used for non-pursuit administrative applications such as School Resource Officers and Supervisor vehicles.

On October 4, 2017, Purchase Order No. 182368 was issued in the amount of \$48,557.42 or \$24,278.71 per vehicle, to Wild Rose 911 of Anaheim, CA to refurbish the remaining two of the 10 vehicles referenced above, based on a service agreement piggy back between Wild Rose 911 and the Rowland Unified School District. These two vehicles did not require additional outfitting.

On August 26, 2018, General Services/Fleet Division purchased 13 additional CV donor vehicles from the City of Santa Ana in the amount of \$16,542.50 (\$1,272.50 per vehicle) to further the Program. On January 11, 2019, Request for Proposals (RFP) No. 1875 was then issued to provide a consolidated scope of work for a service provider to refurbish the vehicles, with two responses received. The lowest cost proposal to refurbish the 13 vehicles is \$364,464.00, at a cost of \$28,035.69 per vehicle and the second proposal was \$464,976.59, at a cost of \$35,767.43 per vehicle. Additional costs to outfit these vehicles total approximately \$104,000, or \$8,000 per vehicle; these costs were not included in RFP No. 1875. Staff recommends a ten percent change order authority in the amount of \$36,446.40 or \$2,803.57 per vehicle, to address additional changes due to the unforeseen condition of the donor vehicles and end user requests.

The cost per vehicle to purchase CV donor vehicles, refurbish the vehicles, including outfitting and change order authority, totals approximately \$40,111.76 to \$47,843.50 per vehicle. The tables below summarize the actual to-date Program expenses and proposed costs as compared to the cost of new vehicles.

ACTUAL TO-DATE PROGRAM EXPENDITURES

Date	Vehicle Expense	Cost Per Vehicle	Notes
April 5, 2017	\$ 5,238.95	\$ 2,619.48	RTC Labor only to refurbish two 2011 CV vehicles. Existing RPD vehicle, no outfitting required.

Date	Vehicle Expense	Cost Per Vehicle	Notes
April 20, 2017	\$ 2,619.48	\$ 2,619.48	RTC Labor only to refurbish one 2011 CV vehicle. Existing RPD vehicle, no outfitting required.
April 2017	\$42,874.94	\$14,291.64	Parts from Raceway Ford, paint and body work from Maaco and upholstery services from Barajas for three vehicles.
Subtotal	\$50,733.37	\$16,911.12	Refurbishment cost per vehicle for three vehicles, no outfitting required.
September 12, 2017	\$142,620.90	\$17,827.61	Refurbish eight CV. \$88,659.88/parts (Raceway Ford PO 182346), \$15,985.64 labor (RTC PO 182311), paint / upholstery \$37,975.38.
October 4, 2017	\$ 48,557.42	\$24,278.71	Refurbish two vehicles (Wild Rose PO 182368) General Services/Fleet. No outfitting required.
To Date Expenditures	\$241,911.69	\$18,608.59	Average refurbishment cost per vehicle for 13 existing vehicles, no outfitting required.

PROPOSED REFURBISHMENT COSTS

Date	Vehicle Expense	Cost Per Vehicle	Notes
August 26, 2018	\$ 16,542.50	\$ 1,272.50	Purchase 13 CV donor vehicles from the City of Santa Ana.
January 11, 2019	\$364,464.00	\$ 28,035.69	(RFP 1875) Proposal from Fritts Ford to refurbish 13 vehicles.
	\$104,000.00	\$ 8,000.00	Cost to outfit 13 CV vehicles. Staff to return to City Council at a later date.
	\$ 36,446.40	\$ 2,803.57	Authorize a ten percent change order authority to address unforeseen conditions.
Subtotal	\$521,452.90	\$ 40,111.76	Proposed cost to refurbish 13 vehicles, including donor vehicles, labor, parts and outfitting.

COMPARISON TO NEW VEHICLE PURCHASE COSTS

Description	Per Unit Cost	Outfitting	Total Cost per Vehicle
2019 Ford Interceptor	\$33,292.82	\$8,000	\$41,292.82
2019 Chevrolet Tahoe	\$39,454.91	\$8,000	\$47,454.91

Staff initially presumed the CV refurbishment program was economically viable and could potentially save up to \$25,000 per vehicle. However, after further evaluating the proposed total refurbishment cost of \$40,111.76 per vehicle as compared to purchasing a new vehicle at \$41,292.82 for a savings of \$1,181.06 per vehicle, it does not make good fiscal sense to proceed with the program.

In addition, staff’s concerns with the risk and liability of utilizing older refurbished vehicles versus new police vehicles are as follows:

- New vehicles are better designed to keep the driver and passengers safer than older vehicles with improved electronics, safety features such as side air bags, traction control features, etc.
- New vehicles achieve better miles per gallon and less emissions into the environment.
- The availability of OEM parts for older vehicles approaching 10 years old may affect the maintenance and repair of the vehicles with potentially increased vehicle downtime waiting for parts.
- Risk factors utilizing aftermarket parts versus OEM designed parts in refurbished vehicles such as the suspension and drive trains.

Options for Consideration

The following options are presented for City Council’s discussion and consideration:

Option	Title	Fiscal Impact	Comments
A	Reject all proposals for RFP No. 1875 and purchase new Police vehicles as needed.	\$0	<ul style="list-style-type: none"> • Liquidate the 13 CV donor vehicles and discontinue the CV refurbishment program.
B	Award RFP No. 1875, Outfit Vehicles and continue the Program.	\$400,910.40	<ul style="list-style-type: none"> • This option would award RFP No. 1875 to Fritts Ford in the amount of \$364,464.00, including a 10% change order authority of \$36,446.40 to refurbish 13 vehicles; • Outfitting of vehicles is an additional cost of \$104,000; staff will return to the City Council for award. • Total cost per vehicle to include donor, refurbishment, outfitting and change order authority in the amount of \$40,111.76.
C	Award RFP No.1875 and discontinue the Program.	\$400,910.40	

Staff recommends Option A to reject all proposals for RFP No. 1875 and purchase new Police vehicles as needed by the Riverside Police Department. As part of this recommendation, staff will liquidate the 13 CV vehicles and discontinue the refurbishment program in its entirety, as the risk and life safety concerns of the vehicle occupants far outweigh the minimal cost savings to refurbish older CV vehicles.

The Purchasing Manager concurs that the recommendation to reject all bids is in compliance with Purchasing Resolution No. 23256. The Chief of Police concurs with the report.

FISCAL IMPACT:

There is no fiscal impact associated with Option A. The Riverside Police Department currently has an adequate number of Police vehicles and does not anticipate the purchase of new vehicles until fiscal year 2020.

Prepared by: Carl Carey, General Services Department Director
 Certified as to

availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer

Approved by: Moises Lopez, Deputy City Manager

Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. RFP Rejection Recommendation
2. Presentation
3. Quote for 20 new Ford Police Interceptor Utility Vehicles
4. Quote for 10 new Chevy Tahoe Vehicles
5. RFP No. 1875
 - a. Addendum #1
6. Measure Z Report