



AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING
Meeting Date: October 17, 2017

Agenda Item 6-M
Approvals:
City Manager MM
Dept. Head ES
Attorney _____
Finance JW

Department: Finance & Administrative Services
Prepared By: Erik Sund, Assistant City Manager

Subject: REPLACE FLEET VEHICLE NUMBERS 1003 AND 1019

Fiscal Impact: Yes. The total cost to replace the two vehicles is \$77,953. A total of \$77,880 was collected from replacement charges and appropriated in the FY2014-15, and FY2015-16 budgets in the Fleet Replacement Reserve for purchase of these vehicle replacements.

Summary: Council approval is requested to purchase two Ford F250 vehicles from Fairview Ford Sales at a total cost of \$77,953.

Background: Vehicles purchased by the City are assigned useful lives between 3 and 15 years, based on industry standards and historical information collected by the Fleet Maintenance operations group. Each vehicle is then charged a "replacement" amount, based on the purchase price of the vehicle, expected useful life, and an inflation factor for vehicle price increases.

The funds are accumulated in the Fleet Replacement Reserve and fund the replacement of the vehicle at the end of its useful life. At the end of its useful life, a vehicle is reviewed for mileage and condition before a determination is made to replace the vehicle.

Discussion: Two fleet vehicles have reached the end of their useful lives and are in need of replacement, which were approved as part of the FY2014-15 and FY2015-16 budgets. Staff advertised a Request for Bids on Planet Bid and received two quotes from fleet vehicle dealerships. Fairview Ford Sales was selected as the lowest responsive bidder. Both vehicles are funded from the General Fund. The accumulated replacement funds are \$72 less than the new vehicle cost and vehicles will be replaced without a request for any additional appropriations.

Vehicle #	Fund	Accumulated Replacement	New Vehicle Cost
1003	General Fund	\$38,880	\$38,976
1019	General Fund	\$39,000	\$38,976

Recommended

Action: STAFF RECOMMENDS THAT the City Council approve the purchase of two vehicles from Fairview Ford Sales for replacement of the Fleet vehicle numbers 1003 and 1019.

Attachments: None

Notification: None