



# AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING  
Meeting Date: November 7, 2018

Agenda Item 6-X

**Approvals:**

City Manager [Signature]

Dept. Head [Signature]

Attorney [Signature]

Finance [Signature]

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

**Subject:** *REPLACE FLEET VEHICLE NUMBERS 1153 & 1154*

**Fiscal Impact:** Yes. The total cost for two new replacement vehicles is \$72,962. An additional amount of \$5,000 will be needed to outfit the vehicles with lifeguard equipment, for a total replacement cost of \$77,962 for the two vehicles. The vendor has quoted a price of \$20,000 for a trade in for both of our existing units; therefore, the net amount needed would be \$57,962. A supplemental appropriation of \$57,962 from the Fleet Replacement Reserve Fund is required in order to fund the purchase. A total of \$66,420 had been collected from replacement charges for these two vehicles, which is more than sufficient to fund the supplemental appropriation requested.

**Summary:** Council approval is requested to appropriate the funds and approve the purchase of two 2019 Jeep Wranglers from Tuttle Click, Inc. at a total cost of \$72,962, as well as required outfitting totaling \$5,000. Council approval is also requested to declare the City of San Clemente vehicle numbers 1153 & 1154 surplus and authorize staff to trade the units toward the purchase of the new vehicles.

**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:** These vehicles have reached the end of their useful life and are in need of replacement. Staff advertised a Request for Bids on Planet Bid and received one bid from fleet vehicle dealerships. Vehicle replacement was funded from the General Fund over the useful life of the current vehicles. The amount collected for replacement plus trade in value will be \$8,458 more than the vehicle cost including equipment set-up. The replacement vehicles have not yet been budgeted, so a supplemental appropriation in the amount of \$57,962 will be needed.

Vehicle #	Fund	Accumulated Replacement	New Vehicle Cost
1153	General Fund	\$33,210	\$38,981
1154	General Fund	\$33,210	\$38,981

**Recommended**

**Action:**

STAFF RECOMMENDS THAT the City Council:

1. Approve the purchase of two 2019 Jeep Wranglers from Tuttle Click, Inc, and related equipment outfitting from Fleet Replacement Reserve for replacement of the Fleet vehicle numbers 1153 & 1154.
2. Authorize a supplemental appropriation in the amount of \$57,961 to the Fleet Automotive Account #065-824-45600 from the Fleet Replacement Reserve Fund balance.
3. Declare existing unit numbers 1153 & 1154 surplus and authorize staff to trade them in for credit toward the purchase of the new vehicles.

**Attachments:** None

**Notification:** None