



AGENDA REPORT

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

Agenda Item 6-M

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 NUMBER 1149*

Fiscal Impact: Yes. The total cost to replace this vehicle is \$26,023. By the end of FY 2018-19, a total of \$26,640 will have been collected from replacement charges. A supplemental appropriation of \$26,023 from the Fleet Replacement Reserve Fund is required in order to fund the purchase.

Summary: Council approval is requested to appropriate the funds and approve the purchase of a 2018 Ford Transit Connect passenger van from Ken Grody Ford at a total cost of \$26,023.

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: This vehicle has reached the end of its useful life and is 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 vehicle. The amount collected for replacement will be \$617 more than the vehicle cost. The replacement vehicle has not yet been budgeted, so a supplemental appropriation in the amount of \$26,023 will be needed.

Vehicle #	Fund	Accumulated Replacement	New Vehicle Cost
1149	General Fund	\$26,640	\$26,023

Recommended

Action: STAFF RECOMMENDS THAT the City Council:

1. Approve the purchase of one 2018 Ford Transit Connect passenger van from Ken Grody Ford from Fleet Replacement Reserve for replacement of the Fleet vehicle number 1149; and
2. Authorize a supplemental appropriation in the amount of \$26,023 to the Fleet Automotive Account #065-824-45600 from the Fleet Replacement Fund balance.

Attachments: None

Notification: None