



AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING
Meeting Date: August 20, 2019

Agenda Item 605

Approvals:

City Manager [Signature]

Dept. Head [Signature]

Attorney SS

Finance [Signature]

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

Subject: *REPLACE FLEET VEHICLE NUMBER 1024*

Fiscal Impact: Yes. The total cost for the vehicle requested is \$31,663. A supplemental appropriation of \$31,663 from the Fleet Replacement Reserve Fund is required in order to fund the purchase. A total of \$22,260 has been collected from replacement charges for unit 1024. In addition, \$114,000 was collected from replacement charges for unit 1166, a beach maintenance vehicle. This vehicle will not be replaced providing additional funds for this purchase (Vehicle 1024).

Summary: Council approval is requested to appropriate funds and approve the purchase of a 2020 Ford Explorer truck from Tuttle-Click Ford Lincoln at a total cost of \$31,663.

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.

Funds are accumulated in the Fleet Replacement Reserve and fund vehicle replacement 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 vehicles have reached the end of useful life. Vehicle replacement was funded from the General Fund over the useful life of the current vehicles. One of those vehicles (Unit 1024) is in need of replacement. The other (Unit 1166) is a beach maintenance vehicle that is no longer required and is not being replaced.

Staff advertised a Request for Bids on Planet Bid and received two bids from fleet vehicle dealerships. The total amount collected for replacement of unit 1024 and unit 1166 is \$104,597 more than the cost for the new vehicle. This excess will remain in the vehicle replacement fund for future replacement needs. The replacement of these vehicles were not budgeted, so an appropriation in the amount of \$31,663 is needed.