



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Scott Johnson

**SUBJECT: REPORT ON BIDS FOR  
POLICE MARKED PATROL  
SEDANS**

**DATE:** June 5, 2006

Approved

Date

6/14/06

## RECOMMENDATION

Report on bids and award the purchase of 74 Ford Crown Victoria Police Vehicles to the low responsive bidder, Hoblit Motors (Colusa, CA), for a total amount not to exceed \$1,937,259.32 including taxes and fees and authorize the Director of Finance to:

- a. execute the purchase order;
- b. amend the initial purchase order to purchase additional quantities of Ford Crown Victoria Police Vehicles on an as-required basis at the same unit pricing without further Council action other than the appropriation of funding; and
- c. execute purchase orders to acquire additional quantities for two additional years subject to annual appropriations.

## OUTCOME

With the purchase of these vehicles, the Police Department will be able to maintain existing service levels, while enhancing operational capabilities using the new technology available with this acquisition.

## BACKGROUND

The General Services Department/Fleet Management Division has requested the purchase of seventy four (74) Ford Crown Victoria Police Vehicles for the next fiscal year beginning 2006-07.

The Memorandum of Agreement between the City of San José and the San José Police Officers' Association, paragraph 21.2, titled "Police Vehicle Specifications", states that, "in the acquisition of new police patrol vehicles, the specifications currently used by the City of Los Angeles or California Highway Patrol shall be followed by the City insofar as is reasonably possible so as to provide vehicles reasonably safe and suitable for patrol purposes." Since the City of Los Angeles and the California Highway Patrol currently use Ford Crown Victoria vehicles, General Services specified the purchase of the Ford Police Marked Patrol sedan.

The Police Department utilizes this class of vehicles for patrolling rural and urban areas, bureau investigations, and administrative activities. The procurement of these vehicles is contingent upon the 5 year patrol car semi-annual forecast. The replacement guideline is 5 years and 100,000 miles. The vehicles requested are intended to replace vehicles that have achieved this replacement guideline. The continuous availability and timely procurement of these vehicles is essential in delivering quality public safety services to the residents of San Jose. As existing vehicles are replaced through the utilization of this contract, requests for vehicle replacements will be approved by General Services and the City Manager's Budget Office in accordance with the vehicle replacement process as recommended by the City Auditor's Office.

**ANALYSIS**

The bid was structured to allow the City to purchase Police Marked Patrol Sedans for the next three years. Based on historical purchase patterns, it is anticipated that the City will acquire approximately 74 Sedans during the first contract period at a fixed price. In addition, the resolution allows the City to purchase additional quantities in the initial year, if needed. General Services anticipates that the City will order 85 Police Marked Patrol Sedans in Fiscal Year 2007/2008 and 39 Police Marked Patrol Sedans in Fiscal Year 2008/2009 based on the expected useful service life of the fleet.

The quantities for the replacement of vehicles are estimated five years in advance for budgetary purposes based on expected years of service. At the beginning of every fiscal year additional analysis is performed using years in service and mileage to identify the actual need and any wrecked vehicles that did not achieve the recommended replacement criteria.

To ensure the most competitive pricing over the three year period, the bid stipulated that pricing is tied to the Manufacturer's Suggested Retail Price (MSRP). Once a year, the supplier of these vehicles may request an adjustment of the selling price based on increases in the MSRP. Additionally, the bid requires that at any time, throughout the purchase order period, the supplier shall make available to the City any dealer incentives, manufacturer's discounts, or any other price adjustments offered to the supplier by the manufacturer and adjust the price of the vehicles at the time of ordering accordingly.

A notice inviting bids was published on April 5, 2006. In addition, bid packages were e-mailed to eighteen (18) vendors. A pre-bid conference was held on April 11, 2006, to answer questions from prospective vendors regarding the vehicle specifications. Two (2) bids were publicly opened on April 27, 2006 and are listed below.

<b>Bidder</b>	<b>Unit Cost</b>	<b>Bid Price (Including Tax/Fee)</b>
Hoblit Motors Colusa, CA	\$26,179.18	\$5,183,477.64
S&C Ford San Francisco, CA	\$26,235.03	\$5,194,535.94

The Local and Small Business Preference had no effect on the award of contract. The bid analysis below is based on the 2007 model, with a bid quantity of one hundred ninety-eight (198) vehicles. Prices are subject to increase for 2008 and 2009 models by submitting the published MSRP for the model year offered. The City will evaluate the request and confirm the price adjustment.

Staff recommends the award to Hoblit Motors, the low bidder in accordance with the formal bidding procedures of the San Jose Municipal Code, Section 4.12.030.

### **ALTERNATIVES**

As an alternative to authorizing the Director of Finance to execute purchase orders for the purchase of Police Marked Patrol Sedans for the next three years, staff discussed the utilization of the State of California contract. This option was rejected to improve just-in-time delivery of patrol vehicles in accordance with the fleet replacement cycle.

### **PUBLIC OUTREACH**

This bid was placed on the City of San Jose web site and on the DemandStar bid notification system.

On June 1, 2006, the Driving A Stronger Economy committee approved the report titled "Vehicle Procurement Opportunities and Local Business Outreach." As presented in the report, to increase local participation of dealerships, staff reached out to local dealerships through emailing bids directly and following up with phone calls. Unfortunately, that outreach did not result in increased participation of local dealerships. To understand the lack of participation, staff surveyed local dealerships. The manufacturers' incentive for selling Public Safety Vehicles favors dealerships which purchase a large contingent of public safety vehicles from manufacturers. To service numerous public agencies to be eligible for an increased manufacturers' incentive would require a larger capacity for interim storage of public safety vehicles.

### **COORDINATION**

This memorandum has been coordinated with Police and General Services Department, the City Attorney's Office, and the City Manager's Budget Office.

### **COST IMPLICATIONS**

This Council item is consistent with Council approved Budget Strategy Memo, General Principle #2, "We must focus on protecting our vital core city services".

HONORABLE MAYOR AND CITY COUNCIL

June 5, 2006

**Subject: Report on Bids for Police Marked Patrol Sedans**

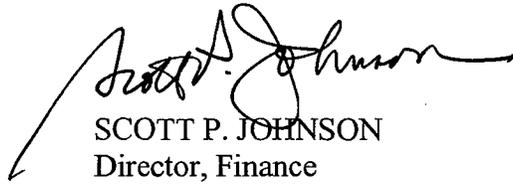
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**BUDGET REFERENCE**

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	Amount for Contract	2006-2007 Proposed Operating Budget	Last Budget Action (Date, Ord. No.)
552	0084	Vehicle Replacement	001104	\$4,546,534	N/A	Pg. XI-80	N/A

**CEQA**

Not a project.

  
SCOTT P. JOHNSON  
Director, Finance

For questions, please contact Walter C. Rossmann, Chief Purchasing Officer, at 408 535-7051.