



## City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	Item Type:		1 <sup>st</sup> Reading	2 <sup>nd</sup> Reading
5/6/2020	<input checked="" type="checkbox"/> Resolution	Ordinance Reading	N/A	N/A
File No.:	<input type="checkbox"/> Ordinance	Public Hearing	<input type="checkbox"/>	<input type="checkbox"/>
20-102	<input type="checkbox"/> Other	Advertising Required	<input type="checkbox"/>	<input type="checkbox"/>
		Quasi-Judicial:	<input type="checkbox"/>	<input type="checkbox"/>
Fiscal Impact (\$):	Account Balance (\$):	Funding Source:	Project Number:	
\$565,000	\$654,000 \$24,500 \$607,263	4410-564030 (Fleet/Trucks) 4410-564010 (Fleet/Passenger Vehicles) 1810-545030 (Self-Insurance)	N/A	
Contract/P.O. Required	RFP/RFQ/Bid Number:	Sponsor Name:	Department:	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	FSA19-VEL27.0 FSA19-VEL27.0	James Sylvain, Director	Public Works	
Strategic Plan Focus Areas:				
<input checked="" type="checkbox"/> Financial	<input checked="" type="checkbox"/> Organizational Capacity	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Development, Redevelopment and Economic Development	
Implementation Timeline				
Estimated Start Date: 8/1/2020   Estimated End Date: 9/30/2020				

### SHORT TITLE:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AUTHORIZING THE CITY MANAGER TO PURCHASE NINE (9) REPLACEMENT FLEET UNITS UTILIZING THE FLORIDA SHERIFF'S ASSOCIATION (FSA) CONTRACTS IN AN AMOUNT NOT TO EXCEED FIVE HUNDRED SIXTY-FIVE THOUSAND DOLLARS (\$565,000.00); AND PROVIDING FOR AN EFFECTIVE DATE.

### STAFF SUMMARY:

#### Summary:

The purpose of the agenda item is to request City Commission approval of the attached resolution authorizing the City Manager to purchase eleven (11) replacement fleet units during FY19-20

using Contract # FSA17-VEH15.0 and Contract # FSA17-VEL25.0, in an amount not to exceed \$565,000.

**Background:**

The City Commission approved the establishment of a Fleet Fund during the 2012 City Commission/City Manager Budget Workshops. It was established to serve as a centralized fund designed to simplify and optimize the efficiency of maintenance and replacement City vehicle purchases and allow for their on-going maintenance. The establishment of the Fleet Fund is implemented as an internal "Leasing Program" whereby each year the various City Departments that utilize Fleet vehicles are responsible for budgeting an amount determined by the Fleet Division for the on-going maintenance and programmed replacement of their vehicles. Funds for replacement vehicles exist in the Fleet Fund, whereas new vehicle requests by a specific department are funded through individual departmental sources.

As part of this initiative, a detailed Fleet Maintenance and Replacement Program (FMRP) was developed. The goal of the program is to capture optimal service life for each vehicle, combined with the point in time where the City could receive the highest resale value for each vehicle. If this goal is consistently achieved, the City anticipated that its fleet would gradually become newer and require less annual maintenance.

**Current Situation:**

Staff determined that sixty-nine (69) vehicles were due for replacement, using the planned replacement process, during the FY19/20 budget process. Due to budgetary constraints, this number was reduced to eight (8) vehicles, one (1) trailer and Risk Management will be replacing two (2) totaled Police Units for a total of eleven (11) units. These 11 replacement units are included in the FY 19/20 adopted budget. In order to be fiscally conservative, eleven (11) units have been deemed as highest priority for replacement at this time. Replacement of the remaining vehicles has been postponed, as the FMRP "useful life criteria" are being reassessed. The list below shows the vehicles that have been approved for replacement in FY19/20. Due to the COVID-19 situation, staff decided to postpone the purchase of two (2) vehicles identified in the rows highlighted in yellow below: One (1) Roll Off Trucks for the Solid Waste Division and one (1) Hybrid SUV for the Water Plant Division.

	ACCOUNT	CONTRACT	DIVISION	VEHICLE	ESTIMATED COST	POSTPONED COV-19	ESTIMATED EXPENDITURE
1	4410-564030	FSA19-VEH17.0	SOLID WASTE	ROLL OFF	\$172,000	\$172,000	
2	4410-564030	FSA19-VEH17.0	SOLID WASTE	ROLL OFF	\$172,000		\$172,000
3	4410-564030	FSA19-VEH17.0	ROAD/BRIDGE	DUMP TRUCK	\$55,000		\$55,000
4	4410-564010	FSA19-VEL27.0	WATER DIST.	MINIVAN	\$25,000		\$25,000
5	4410-564010	FSA19-VEL27.0	WATER DIST.	MINIVAN	\$25,000		\$25,000
6	4410-564010	FSA19-VEL27.0	SEWER	MINIVAN	\$25,000		\$25,000
7	4410-564030	FSA19-VEL27.0	SOLID WASTE	MINI SIDE LOADER	\$175,000		\$175,000
8	4410-564010	FSA19-VEL27.0	WATER PLANT	HYBRID SUV	\$24,500	\$24,500	
9	4410-564040	FSA19-VEH17.0	SEWER	TRAILER	\$12,000		\$12,000
10	1810-545030	FSA19-VEL27.0	RISK/POLICE	PURSUIT SUV	\$38,000		\$38,000
11	1810-545030	FSA19-VEL27.0	RISK/POLICE	PURSUIT SUV	\$38,000		\$38,000
				<b>TOTAL</b>	<b>\$761,500</b>	<b>\$196,500</b>	<b>\$565,000</b>

If approved, staff will utilize the following contracts to purchase and outfit the nine (9) replacement units listed above:

- Florida Sheriff's Association (FSA) Contract #: FSA19-VEH17.0
- Florida Sheriff's Association (FSA) Contract #: FSA19-VEL27.0

The FSA opened Bid #: FSA19-VEH17.0 Cab & Chassis Trucks & Other Fleet Equipment to all qualified vendors on May 13 and 27, 2019 (Exhibit 2). As a result of this bid process, Contract #: FSA19-VEH17.0 was awarded by the FSA to the list of vendors included in Exhibit 3. This contract is in effect beginning October 1, 2019 and expires September 30, 2020. Using this contract, the City may purchase vehicles, trucks and heavy equipment from dealers authorized by the manufacturer on a "no trade-in basis". The City will use this contract to procure one (1) Roll Off Trucks for the Solid Waste Division, one (1) Trailer for the Sewer Division and one (1) Dump Truck for the Roads and Bridges (Streets) Division.

The FSA advertised Bid #FSA19-VEL27.0 Police Rated, Administrative, Utility Vehicles, Trucks and Vans to all qualified vendors on May 13 and 27, 2019 (Exhibit 4). As a result of this bid process, #FSA19-VEL27.0 was awarded by the FSA to the list of vendors included in Exhibit 5. This contract is in effect beginning October 1, 2019 and expires September 30, 2020. Using this contract, the City may purchase vehicles, trucks and heavy equipment from dealers authorized by the manufacturer on a "no trade-in basis". The City will use this contract to procure three (3) minivans for the Water Distribution Division, one (1) Mini Side Loader for Solid Waste Division, and two (2) Police Vehicles.

### **Why Action is Necessary:**

Pursuant to Chapter 23, Section 23-8 Exception to Bid Requirements, (6) Bids and Contracts from Other entities, and Section 23-9 Cooperative Purchasing, the City Manager is authorized to procure all supplies, materials, equipment and services from other governmental units, when the best interests of the City would be served subject to the requirement that any purchase in excess of \$50,000 requires City Commission approval.

### **Cost Benefit**

Operating vehicles beyond their useful life costs the City more in the long run to repair, maintain and operate. Newer vehicles offer the City the opportunity to purchase more fuel-efficient vehicles which are more cost effective to operate. The vehicles listed here for replacement are those that no longer are fiscally beneficial to remain in operation.

Below is an analysis that shows the cost benefit breakdown per vehicle:

SOLID WASTE ROLL OFF                      Original Cost \$118,710    Replacement Cost- \$172,000

The truck being replaced with this purchase is 11 years old and has had approximately \$50,702 in repair and maintenance work done over the lifespan of the vehicle. It has a depreciated value of \$113,710. This vehicle has an estimated salvage value of \$5000 which when applied equals and a current negative value of -\$40,702.

ROAD/BRIDGE DUMP TRUCK      Original Cost \$ 34,634      Replacement Cost-\$55,000

The truck being replaced with this purchase is 13 years old and has a depreciated value of \$32,634. It has incurred \$58,489 in parts and labor expenses. This vehicle has an estimated salvage value of \$ 2,000 which when applied equals a current negative value of -\$21,855.

WATER DIST. MINIVAN      Original Cost \$ 11,293      Replacement Cost-\$25,000

The ½ ton truck being replaced with this purchase is 14 years old and has a depreciated value of \$9,293. It has incurred \$23,693 in parts and labor expenses. This vehicle has an estimated salvage value of \$2000 which when applied equals a current negative value of -\$19,693

WATER DIST. MINIVAN      Original Cost \$ 16,636      Replacement Cost-\$25,000

The ¾ ton truck being replaced with this purchase is 12 years old and has a depreciated value of \$13,636. It has incurred \$23,288 in parts and labor expenses. This vehicle has an estimated salvage value of \$3000 which when applied equals a current negative value of -\$17,288

SEWER.      MINIVAN      Original Cost \$ 13,963      Replacement Cost-\$25,000

The ½ ton truck being replaced with this purchase is 14 years old and has a depreciated value of \$11,963. It has incurred \$33,656 in parts and labor expenses. This vehicle has an estimated salvage value of \$2000 which when applied equals a current negative value of -\$29,656

SOLID WASTE MINI SIDE LOADER      Original Cost \$ 96,067      Replacement Cost-\$175,000

The truck being replaced with this purchase is 7 years old and has a depreciated value of \$91,067. It has incurred \$47,408 in parts and labor expenses. This vehicle is the type utilized by the Sanitation department to perform garbage collection in the alleys and narrow roadways of the City. This vehicle has an estimated salvage value of \$5000 which when applied equals a current negative value of -\$37,408

SEWER TRAILER      Original Cost \$ \$6000      Replacement Cost-\$12,000

The trailer unit being replaced with this purchase is 6 years old and has a depreciated value of \$5750. It is critical to the operation and maintenance of the City's sanitary sewer system and has a current salvage value of \$250.

POLICE PURSUIT SUV      Replacement Cost-\$38,000

The vehicle this will be replacing was totaled in an accident and the replacement cost will be coming from Risk Management.

POLICE PURSUIT SUV      Replacement Cost-\$38,000

The vehicle this will be replacing was totaled in an accident and the replacement cost will be coming from Risk Management.

<b>PROPOSED ACTION:</b>
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The City Commission consider approval of the attached resolution authorizing the City Manager to purchase nine (9) replacement fleet units during FY19-20 using Contract # FSA17-VEH15.0 and Contract # FSA17-VEL25.0, in an amount not to exceed \$565,000.

<b>ATTACHMENT(S):</b>
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Exhibit 1 – Proposed Resolution/Ordinance

Exhibit 2 – Invitation to Bid FSA19-VEH17.0

Exhibit 3 – Award Letter FSA19-VEH17.0

Exhibit 4 – Invitation to Bid FSA19-VEL27.0

Exhibit 5 - Award Letter FSA19-VEL27.0