



CITY OF MORGAN HILL

CITY COUNCIL STAFF REPORT

MEETING DATE: June 3, 2020

PREPARED BY: Bill Norman, Police Sergeant
APPROVED BY: City Manager

ACCEPT INSURANCE PROCEEDS AND APPROVE PURCHASE TO REPLACE COLLISION INVOLVED POLICE VEHICLE

RECOMMENDATION(S)

1. Accept the insurance proceeds estimated in the amount of \$68,215 for the 2013 Ford Interceptor Utility, #143;
2. Adopt a resolution amending the Fiscal Year 2019-20 adopted budget to appropriate \$68,215 as insurance proceeds revenue and \$80,537 as expenditure from the Equipment Replacement Fund (790) to purchase (including build-out) a patrol 2020 Ford Interceptor Utility;
3. Authorize the City Manager to approve the purchase order with Priority 1 Public Safety Equipment Installation Inc. for the purchase and outfitting of the new vehicle;
4. Declare the 2013 Ford Interceptor Utility #143 (VIN# 8414) to be a surplus; and
5. Authorize the disposal of the surplus vehicle in accordance with Section 3.04.400 of the City of Morgan Hill Municipal Code.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety

2020-2021 Strategic Priorities

Financial Sustainability

REPORT NARRATIVE:

Police Fleet Background

There are currently forty vehicles and five trailers in the Police Department's fleet. Seventeen patrol cars and three motorcycles are assigned to twenty-four patrol officers in the Field Operations Division. Eight unmarked police cars are assigned to eight detectives, all assigned to the Special Operations Division. Three unmarked police vehicles are assigned to the Administration Division. Vehicles are replaced approximately every six to ten years, depending on the type of vehicle and assignment. The Police Department's Vehicle Replacement Plan allows the City to financially plan for scheduled vehicle purchases to maintain safe, operational police vehicles for patrol officers, detectives, and civilian members of the Department.

A 2013 Ford Police Interceptor Utility (Patrol # 143) was involved in a vehicle collision in March 2020, which resulted in the vehicle sustaining significant damage. Due to the amount of damage sustained, the vehicle was determined to be a total loss by the City's insurance company. The vehicle was due to be replaced in July 2020. Staff recommends purchasing a 2020 Ford Police Interceptor Utility to replace the totaled 2013 Ford Interceptor Utility police vehicle:

Totaled Vehicle	Mileage	Replacement Vehicle
2013 Ford Interceptor – patrol car # 143	94,059	2020 Ford Interceptor Utility

The Police Department recommends purchasing the 2020 Ford Interceptor Utility through a third-party dealer, Priority 1 Public Safety Equipment Installation Inc., who will purchase the vehicle from Towne Ford in Redwood City CA, pursuant to Morgan Hill Municipal Code ("MHMC") Sections 3.04.150(2) and 3.04.180. The Ford Store of Morgan Hill is unable to order Police Interceptors from the Ford factory. There are no other local vendors that supply a Police Package Ford Police Interceptor Utility. Purchasing a base vehicle and making after-market changes to equip the vehicle with a Police Package is not cost effective. The Police Department has purchased twelve fleet vehicles in recent years through Priority 1 and the company has provided good customer service and delivered the vehicles within budget and on time.

COMMUNITY ENGAGEMENT: Inform

This staff report serves to inform the community about the recommended purchase of the new police vehicle.

ALTERNATIVE ACTIONS:

Should the Council choose not to approve the purchase of the replacement vehicle for #143, the Police Department fleet will be short one vehicle and not have the adequate number of safe and operational vehicles required for a patrol division the size of Morgan Hill's.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Council has previously accepted the use of Priority 1 for the purchase and build-out of police vehicles.

FISCAL AND RESOURCE IMPACT:

This competitive bid price does not include the total vehicle build-out. The build-out cost includes special orders, tax, lights, siren, control modules, radio installation, computers, command system cargo box, and police decals.

The full cost of the vehicle including purchase price, build-out and tax is \$73,215. Staff recommends a 10% contingency plan for a total authorized purchase price of \$80,537. The City of Morgan Hill is estimated to receive \$68,215, in insurance proceeds from Sedgwick. Therefore, the net cost to the Equipment Replacement Fund is \$5,000 (prior to contingency), and there are enough contributions that are available to cover the net cost.

Build-out	Cost
Ford Interceptor Utility (replacing #143)	\$42,316

Emergency System Build-out/ Decals	\$24,874
Sales Tax	\$6,025
10% Contingency Plan	\$7,322
Total Cost	\$80,537
Estimated Insurance Payment	\$68,215
<u>Estimated Net Equipment Replacement Fund Cost (includes 10% contingency)</u>	<u>\$12,322</u>

Due to this unforeseen replacement of a damaged vehicle, staff recommends City Council adopt a resolution to amend the FY2019-20 adopted budget, to appropriate \$80,537, in the Equipment Replacement Fund (790.8500.43830), for the purchase of the replacement 2020 Ford Explorer Police Interceptor.

All proceeds from the surplus/salvage sale of existing vehicle #143 will go directly back to the Equipment Replacement Fund (790).

CALIFORNIA ENVIRONMENTAL QUALITY ACT:

Not a project: The purchase of vehicles does not constitute a project as defined in Section 15378 of the State CEQA guidelines as the purchase is an administrative activity that will not result in physical environmental impacts.

LINKS/ATTACHMENTS:

1. Priority_1_Public_Safety_Equipment_Installation_Inc._17436 #143
2. Budget Amendment Resolution