



THE PORT
OF LOS ANGELES
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: DECEMBER 17, 2014

FROM: CONSTRUCTION AND MAINTENANCE

SUBJECT: RESOLUTION NO. _____ - AWARD OF CONTRACT NOS. 39726 AND 39727 TO SOUTH BAY FORD LINCOLN FOR THE PURCHASE OF SEVEN POLICE VEHICLES, AND CONTRACT NO. 39728 TO FRONTIER FORD FOR THE PURCHASE OF THREE POLICE VEHICLES

SUMMARY:

The Construction and Maintenance Division (C&M) requests approval of Contract Nos. 39726 and 39727 with South Bay Ford Lincoln of Hawthorne, CA for the purchase of seven police vehicles in the amount of \$341,127 including sales tax and fees, and Contract No. 39728 with Frontier Ford of Santa Clara, CA for the purchase of three police vehicles in the amount of \$94,964 including sales tax and fees. Total expenditures for the ten vehicles are \$436,091. These vehicles will replace nine existing police vehicles that have reached the end of their service life, and add one additional police vehicle. These replacements were planned and funded in the Fiscal Year 2014-15 capital equipment budget. These contracts are the financial responsibility of the Harbor Department.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Approve Contract Nos. 39726 and 39727 with South Bay Ford Lincoln of Hawthorne, CA in the amount of \$341,127 and authorize said expenditures;
2. Approve Contract No. 39728 with Frontier Ford of Santa Clara, CA in the amount of \$94,964 and authorize said expenditures
3. Authorize the Executive Director to execute Contract Nos. 39726, 39727 and 39728; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – The City of Los Angeles Harbor Department (Harbor Department) regularly replaces vehicles and equipment when they reach the end of their service life or if maintenance costs exceed the value of a vehicle or piece of

DATE: DECEMBER 17, 2014

PAGE 2 OF 5

SUBJECT: AWARD OF CONTRACT NOS. 39726, 39727 AND 39728

equipment. No vehicle or piece of equipment will be replaced at the Harbor Department if it is still functioning properly and does not incur excessive costs to maintain.

The Harbor Department vehicle and equipment replacement and selection policy (Transmittal 1) was used to determine the actions requested in this report. C&M takes into consideration the capital costs associated with purchasing vehicles and equipment and balances this with the repair costs for each vehicle or piece of equipment. C&M always first seeks to extend the life of any vehicle or piece of equipment if it is in good condition, even if guidelines recommend replacement (such as five years or 70,000 miles for police interceptors, ten years or 100,000 miles for pool cars or 15 years for heavy duty equipment). Police interceptors that reach the end of their service life in this capacity are converted into unmarked police cars and remain in non-patrol service until they reach ten years or 100,000 miles. The equipment requested has been assessed by C&M fleet staff and supervisors, as well as Port Police staff, and meets the threshold for replacement. This replacement was planned and funded in the Fiscal Year 2014-15 capital budget (Transmittal 2).

Ford no longer manufactures the Crown Victoria Police Interceptor, the vehicle Port Police has used for many years. Port Police road-tested the new Ford Explorer Interceptor and approves it as a replacement vehicle for the Crown Victoria. C&M prefers keeping Ford model vehicles – Explorers and Explorer Interceptors in this request – to provide consistency for the fleet repair function at the Harbor Department. After considering all fleet maintenance factors (including repair, training, and parts inventory) C&M has determined that maintaining a single make of vehicle provides the most efficiency in maintenance operations. Advantages of a standardized fleet include savings on mechanic training, reduction in spare parts inventory, and familiarization with equipment, etc. The majority of existing C&M light-, medium-, and heavy-duty trucks and Port Police vehicles are Ford makes. For this reason, C&M aims to keep as many vehicles in the Ford line as possible. This will not impact other specialized vehicles and equipment in the Harbor Department where Ford replacements are not available.

Other agencies have moved toward standardizing vehicle platforms. The cities of Napa and Oxnard, California, and the counties of Contra Costa and San Diego, California have all made efforts in recent years to limit the makeup of their fleet to as few original equipment manufacturers (OEM) as possible and as few models from each OEM as possible. Their reasons for standardization match those of the Harbor Department: reduced technician training costs, reduced inventory costs, faster failure diagnosis, and faster repair times following diagnosis.

In addition to the Harbor Department, the California Highway Patrol (CHP) has committed to purchasing as many as 1,800 Ford Explorer Interceptors to replace its Interceptor fleet. Other agencies purchasing the new Explorer Interceptors include the

DATE: DECEMBER 17, 2014

PAGE 3 OF 5

SUBJECT: AWARD OF CONTRACT NOS. 39726, 39727 AND 39728

Los Angeles Police Department, Oakland Police Department, Eugene, Oregon Police Department, the Washington State Police, and the Las Vegas Police Department.

When the vehicles requested in this report are placed in service, nine Port Police vehicles will be removed from service (Transmittal 3). Ford Motor Company has discontinued manufacturing the Crown Victoria Police Interceptor and now offers the Utility Interceptor model. Five of the Utility Interceptors requested in this report will be placed in service as marked Port Police patrol cars; three will be placed in services as undercover/administrative vehicles; the other two will be used as K9 vehicles. The nine vehicles identified to be removed from service are the oldest and least efficient vehicles in the Port Police vehicle fleet. The vehicles requested are all gasoline vehicles. This is typical for police vehicles because compressed natural gas fueled or electric powered vehicles could restrict some police operations.

Selection Process – C&M submitted a purchase requisition with specifications for ten police utility vehicles in November 2014. The Contracts and Purchasing Division released Requests for Bid (RFB) F-883, F-884 and F-885 in November 2014 to solicit bids for the vehicles. It was advertised on the City of Los Angeles Business Assistance Virtual Network (LABAVN) and the Port of Los Angeles website. In addition, bids were mailed to Airport Marina Ford, Bob Wondries Motors dba Wondries Fleet Group, Frontier Ford and South Bay Ford Lincoln. Three bids were received by the December 4, 2014 deadline (Transmittal 4).

RFB F-883 was also eligible for the Local Business Preference Program (LBPP) which provides for an eight percent (8%) bid preference for qualifying businesses in the five counties closest to the Port of Los Angeles on any contract opportunity valued in excess of \$150,000. South Bay Ford Lincoln and Bob Wondries Motors dba Wondries Fleet Group in Los Angeles County are eligible for the preference and that calculation is shown on Transmittal 4.

In RFB F-883, South Bay Ford Lincoln was the lowest bidder. After calculating in the LBPP bid preference, South Bay Ford Lincoln remains the lowest bidder. In RFB F-884, South Bay Ford Lincoln was the lowest bidder. In RFB F-885, Frontier Ford was the lowest bidder.

Staff is recommending approval by the Board of Contract Nos. 39726 and 39727 (Transmittals 5 and 6) with South Bay Ford Lincoln for seven police vehicles and Contract No. 39728 (Transmittal 7) with Frontier Ford for three police vehicles. The Ford model year deadline to order these vehicles is January 20, 2015. If the vehicles are not ordered by that date, they will not be delivered this fiscal year and C&M will need to budget for them again in Fiscal Year 2015-16.

DATE: DECEMBER 17, 2014

PAGE 4 OF 5

SUBJECT: AWARD OF CONTRACT NOS. 39726, 39727 AND 39728

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of Contract Nos. 39726 and 39727 with South Bay Ford Lincoln of Hawthorne, CA for the purchase of seven police vehicles, and Contract No. 39728 with Frontier Ford of Santa Clara, CA for the purchase of three police vehicles. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have no employment effect in the five-county region.

FINANCIAL IMPACT:

The purchase of ten vehicles in Contract Nos. 39726, 39727 and 39728 will cost the Harbor Department a total of \$436,091 including taxes and fees. Total ongoing maintenance costs associated with the new vehicles is expected to be approximately \$1,000 per vehicle per year, excluding fuel costs and including warranty provisions, or \$10,000 for all ten vehicles. This is a 130 percent decrease in operations and maintenance costs from the existing vehicles of approximately \$2,300 per vehicle per year. In addition, the current vehicles will be salvaged through the City of Los Angeles General Services Department (GSD). There is no estimate available on the value of the current vehicles. After a ten percent salvage fee kept by GSD, all funds generated by the salvage process are returned to the Harbor Revenue Fund.

One alternative to replacing the current police vehicles would be to continue repairing the existing vehicles. That would cost more than \$2,300 per vehicle per year and may go much higher if transmissions or other systems fail. Another alternative is to lease vehicles. In 2010 the Finance Division of the Harbor Department conducted an analysis on the cost effectiveness of leasing versus purchasing capital equipment. The analysis found that purchasing is more cost effective than leasing. As such, since 2010 the Harbor Department has been adhering to a policy of purchasing capital equipment.

Funding in the amount of \$500,000 for the proposed ten vehicles was budgeted in the Fiscal Year 2014-15 C&M Capital Equipment Budget Account No. 13150, Center No. 0510, and Program No. 000. Cost savings are expected to be \$63,909 in Fiscal Year 2014-15.

DATE: DECEMBER 17, 2014

PAGE 5 OF 5

SUBJECT: AWARD OF CONTRACT NOS. 39726, 39727 AND 39728

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the contracts as to form and legality.

TRANSMITTALS:

1. Harbor Department Vehicle/Equipment Replacement/Selection Policy
2. FY 2014-15 C&M Capital Equipment List
3. C&M Capital Equipment Purchases - Summary
4. Recap of Bid Nos. F-883, F-884, F-885
5. Contract No. 39726
6. Contract No. 39727
7. Contract No. 39728

FIS Approval: ef (initials)

CA Approval: CPB (initials)



TIM CLARK
Acting Director of Port Construction and Maintenance



MOLLY CAMPBELL
Deputy Executive Director

APPROVED:



62
EUGENE D. SEROKA
Executive Director

S:/Share/Clerical Documents/Board Items/C&M_Police SUVs 121714

File No. MGT-3-3
HAR-9-1

Author: D. Young