



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

Board of Harbor Commissioners

DATE: MARCH 26, 2014

FROM: CONSTRUCTION AND MAINTENANCE

SUBJECT: RESOLUTION NO. _____ - AWARD OF CONTRACT NO. 39691 TO BOB WONDRIES MOTORS DBA WONDRIES FLEET GROUP FOR THE PURCHASE OF 13 POLICE VEHICLES

SUMMARY:

The Construction and Maintenance Division (C&M) requests approval of Contract No. 39691 with Bob Wondries Motors dba Wondries Fleet Group of Alhambra, CA, for the purchase of 13 police vehicles in the amount of \$611,499 including sales tax. These vehicles will replace existing police vehicles that have reached the end of their service life. These replacements were planned and funded in the Fiscal Year 2013-14 capital equipment budget.

RECOMMENDATION:

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

1. Approve Contract No. 39691 with Bob Wondries Motors dba Wondries Fleet Group of Alhambra, CA in the amount of \$611,499 and authorize said expenditures;
2. Authorize the Executive Director to execute Contract No. 39691; and
3. 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 equipment. No vehicle or equipment will be replaced at the Harbor Department if they are still functioning properly and do 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

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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 2013-14 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 of it being the replacement vehicle for the Crown Victorias. 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, 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 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, an equal number of 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. Six of the Utility Interceptors requested in this report will be placed in service as marked Port Police patrol cars; the other three will be used as K9 vehicles. Two of the Explorers will be placed in service as command vehicles; the other two will be used as detective vehicles. The 13 vehicles identified to be removed from

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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 since compressed natural gas fueled or electric powered vehicles could restrict some police operations.

Selection Process – C&M submitted a purchase requisition with specifications for 13 police utility vehicles in October 2013. The Contracts and Purchasing Division released Request for Bid (RFB) F-848 in November 2013 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 Bob Wondries Motors dba Wondries Fleet Group, Power Ford, South Bay Ford Lincoln, as well as every Ford dealer in the City of Los Angeles. Three bids were received by the December 12, 2013 deadline (Transmittal 4).

RFB F-848 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.

Of the 13 RFB line items, Frontier Ford of Santa Clara, CA was the lowest bidder on nine of them and Bob Wondries Motors dba Wondries Fleet Group was the lowest bidder on the other four line items. After calculating in the LBPP bid preference, Bob Wondries Motors dba Wondries Fleet Group became the low bidder on all 13 line items. With the LBPP, the Harbor Department will pay a net \$25,188 more, including tax, than the absolute lowest bid in the RFB.

Taking the LBPP into consideration, staff is recommending approval by the Board of a contract with Bob Wondries Motors dba Wondries Fleet Group (Transmittal 5) for all RFB line items.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a contract with Bob Wondries Motors dba Wondries Fleet Group for the purchase of thirteen police vehicles. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2 (f) of the Los Angeles City CEQA Guidelines.

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ECONOMIC BENEFITS:

Spending under the proposed contract will support approximately 1 direct and 1 secondary jobs for the five-county region.

FINANCIAL IMPACT:

The purchase of 13 vehicles will cost the Harbor Department a total of \$611,499, including tax. Total ongoing maintenance costs associated with the new vehicles is expected to be approximately \$900 per vehicle per year, excluding fuel costs and including warranty provisions, or \$11,700 for all 13 vehicles. This is a 60 percent decrease in operations and maintenance costs from the existing vehicles of approximately \$1,500 per vehicle per year, or \$19,500 per year in savings for the 13 vehicles to be replaced. 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 \$1,500 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 \$620,000 for the proposed 13 vehicles was budgeted in the Fiscal Year 2013-14 C&M Capital Equipment Budget Account No. 59981, Center No. 0510, and Program No. 000.

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CITY ATTORNEY:

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

TRANSMITTALS:

1. Harbor Department Vehicle/Equipment Replacement/Selection Policy
2. FY 2013-14 C&M Capital Equipment List
3. C&M Capital Equipment Purchases - Summary
4. Recap of Bid No. F-848
5. Contract No. 39691

FIS Approval: WR (initials)

CA Approval: JS (initials)


JIM MORGAN
Director of Port Construction and Maintenance


MOLLY CAMPBELL
Deputy Executive Director

APPROVED:


GARY LEE MOORE, P.E.
Interim Executive Director

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HAR-9-1

Author: D. Young