

**COUNCIL ACTION FORM**

**SUBJECT: FLEET REPLACEMENT PROGRAM – POLICE CARS**

**BACKGROUND:**

Nine marked and lighted police squad cars are provided for law enforcement services, with replacement cars typically being ordered only from October to March each year. These squad cars are replaced on a 25 month cycle, with new cars being put into service on a staggered schedule throughout the year.

Three new 2009 Ford Crown Victoria Police cars have been ordered at a cost of \$22,510 each for this fiscal year. Currently, six cars are scheduled to be purchased next fiscal year. During the recent bidding process, the successful bidder indicated that the cars needed for next year could also be ordered for the same price, but scheduled for delivery after July 1, 2009. Payment for those cars would then accrue to the 2009/10 fiscal year.

The successful bidder also indicated the pricing for these new cars, if purchased next year, will increase by at least \$1,200 per car. This is similar to the \$1,460 increase this year over those ordered in fiscal 2007/08. Purchasing next year's six cars at this year's prices provides an opportunity to save \$7,200 and to still schedule delivery in the appropriate fiscal year.

Purchasing six cars is a major expense, so rather than simply requesting the addition of six cars to the existing purchase order, new bids were solicited to give all Ford dealers an equal opportunity. Bids were received as follows:

<b><u>Bidder</u></b>	<b><u>Make/Model</u></b>	<b><u>Unit Price</u></b>
Stivers Ford, Waukeez	2009 Ford Crown VIC	\$22,360.00
Dewey Ford, Ankeny	2009 Ford Crown VIC	\$22,541.00
Willey, Inc., Ames	2009 Ford Crown VIC	\$22,987.00
Gabus Ford, Des Moines	2009 Ford Crown VIC	\$23,090.09.

The new Stivers Ford bid is actually lower than the bid available through extending the current purchase order.

The fleet replacement fund will have \$58,944 cash on hand for replacement of these cars as of June 30, 2009. Additional Police department contribution to this fund for 2009/10 is scheduled to be \$105,000, and the residual value of the six retired cars is estimated at \$18,000. Total funds available for this purchase in 2009/10 will thus be \$181,944.

Expenses from this balance include: 6 cars @ \$22,360 each = \$134,160  
Up-fitting 6 cars @ \$4,000 = \$ 24,000  
\$158,160

This will leave a balance of \$23,784 in this fund on June 30, 2010, to use toward the purchase of the following set of cars.

**ALTERNATIVES:**

1. Award the bid to Ed Stivers Ford, Waukee, IA, at \$22,360.00 per car for six 2009 Ford Crown Victorias for a total of \$134,160.00. Delivery will occur after July 1, 2009, and the purchase will be expensed to the 2009/10 budget.
2. Reject bids and re-bid these cars in 2009/10.

**MANAGER'S RECOMMENDED ACTION:**

The Director of Fleet Services indicates that purchasing these six (6) 2009 Ford Crown Victorias at this time is a cost savings of over \$7,000 and will benefit the Police Department's budget in both 2009/10 and 2010/11.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the award of the bid to Ed Stivers Ford, Waukee, IA, for \$22,360.00 per car for six 2009 Ford Crown Victorias for a total of \$134,160.00.