City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Matthew J. Fertal From: Keith G. Jones

Dept: City Manager Dept: Public Works

Subject: PURCHASE OF THREE (3) Date: December 11, 2007

VEHICLES

<u>OBJECTIVE</u>

To secure City Council authorization to purchase three (3) new vehicles.

BACKGROUND

The Public Works Department has three vehicles that are 17 years old, fully depreciated and qualify for replacement under current departmental guidelines. The following analysis represents the replacement costs for those vehicles.

ANALYSIS

Specifications were prepared and sent to prospective bidders. In response to the prescribed bidding procedures, eleven (11) bids were received; the following are the three (3) low bidders for the respective vehicles. A complete bid list is attached.

Rotolo Chevrolet

Fontana, CA. one (1) two passenger van \$18,463.49

Reynolds Buick

Santa Barbara, CA. one (1) eight passenger van \$20,039.30

Villa Ford

Orange, CA. one (1) utility truck \$30,053.12

FINANCIAL IMPACT

The financial impact is \$68,555.91 to the Vehicle Maintenance Replacement Fund. The amount for this purchase is provided by funding assessed over the last seventeen (17) years from the General Fund and deposited into the Vehicle Maintenance Replacement Fund. This fund was developed to ensure funding for equipment when the equipment has fully depreciated and is no longer cost effective to maintain. There is no direct impact to the General Fund. The vehicles being replaced will be sold at public auction.

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COMMUNITY VISION IMPLEMENTATION

Dependable safe vehicles are essential to ensure the Public Works Department remains efficient, high-quality service providers, as outlined in the City of Garden Grove's strategic plan.

RECOMMENDATION

It is recommended that City Council:

- Authorize the Finance Director to issue a purchase order in the amount of \$18,463.49 to Rotolo Chevrolet for one (1) two passenger van.
- Authorize the Finance Director to issue a purchase order in the amount of \$20,039.30 to Reynolds Buick for one (1) eight passenger van.
- Authorize the Finance Director to issue a purchase order in the amount of \$30,053.12 to Villa Ford for one utility truck.

KEITH G. JONES
Director of Public Works

By: Phillip Carter

Equipment Maintenance Supervisor

Attachment A: List of bidders and pricing