

STAFF REPORTS

CITY COUNCIL
AUGUST 24, 2004

To: Mayor and City Council

From: George J. Rodericks, City Manager

**SUBJECT: DECLARATION OF SURPLUS –
1995 FORD F-150 PICKUP TRUCK**

BACKGROUND

In 1995, the City purchased a Ford F-150 heavy duty truck for maintenance and public works at a cost of approximately \$16,000. As the Council is aware, based on use conditions, these vehicles have a useful life of approximately 10 years. The 1995 F-150 has reached the end of its useful life and is in need of multiple repairs to maintain the vehicle in operational condition.

Staff had anticipated replacement or reorganization of the vehicle fleet in January 2005 with the retirement of the Street Superintendent. However, due to the vehicle's declining condition, staff recommends that the Council consider the immediate surplus of the vehicle.

FINDINGS

Staff evaluated several alternatives for reorganization and/or replacement of fleet vehicles.

Elimination of Vehicle

Staff assessed whether the public works staff could operate without the third vehicle. It was determined that although there are two public works employees, the rotational nature of vehicle use, repair needs, and types of field use supported the need for three public works vehicles.

New Heavy Duty Truck (regular gas vehicle)

Staff assessed the purchase of a new heavy duty truck. The purchase of a new F-150 heavy duty truck is approximately \$28,000. In investigating this alternative, staff assessed the availability of such a vehicle through the use of grant funds. However, grant funds will not pay for the purchase of a regular gas vehicle. As a result, City General Funds would need to be used.

New CNG Sedan and Realignment of existing CNG F-150 Truck

Staff assessed the purchase of a new CNG sedan. The purchase of a Compressed Natural Gas (CNG) sedan is approximately \$27,600. In evaluating this purchase, staff made the assumption that the existing CNG F-150 heavy duty truck would shift from use

by the City Manager to use by public works. Purchase of a CNG vehicle can be done through the use of AQMD grant funds.

After evaluating the alternatives for replacement of the vehicle, staff concluded that through the use of AQMD grant funds, the City consider the purchase of a CNG sedan to replace the surplus vehicle. In addition to being able to use grant funds as opposed to City general funds for the purchase of the vehicle, operational costs of a CNG vehicle are less than that of a regular gas vehicle. In the long term, this results in a savings to the City over the life of the vehicle. CNG vehicles are less expensive due to rebates and incentives and can be purchased using grant funds.

The City does not have a need to retain the 1995 vehicle and staff recommends that the vehicle be declared surplus.

FISCAL IMPACT

None. Costs for the new vehicle will be spread over multi-year AQMD grant funds.

Primary methods of disposal to the general public are recognized as direct sale, sealed bid, trade-in or auction. Other methods of disposal to the general public must be clearly detailed in writing and must have the consent of the City Council.

The City Council may transfer a surplus asset to another public agency upon written request and a determination that it is in the public interest to do so. Such a request must specify the asset and the inability of the agency to otherwise afford to buy it. The City Council may elect to trade assets, authorize the City Manager to negotiate payment or transfer it without compensation.

RECOMMENDATION

It is recommended that the City Council:

- 1) Declare the Ford F-150 truck, VIN#**1FTEF15YXSLB65029** as surplus and direct the City Manager to arrange for its disposal; and
- 2) Authorize the City Manager to investigate the negotiated sale of the vehicle to a private entity finding that it is in the public interest to do so.
- 3) Authorize a budget amendment in the amount of \$28,000 to purchase a CNG Sedan and allocate multi-year AQMD funds for the purchase.