



MONROE CITY COUNCIL

Agenda Bill No. 19-053

SUBJECT:	Authorize Increased Purchase Price- 2019 Police Fleet Replacement Units
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DATE:	DEPT:	CONTACT:	PRESENTER:	ITEM:
3/12/2019	Public Works	Jakeh Roberts	Jakeh Roberts	Consent Agenda #5

Discussion: 8/28/2018; 03/12/2019

Attachments: None

REQUESTED ACTION: Move to authorize the \$32,182 increase in expenditures for seven police fleet replacement units; and acknowledge that this increase may require completion of a 520 fund level budget amendment in 2019.

POLICY CONSIDERATIONS

RCW 35.32A.050 states that *“The expenditure allowances as set forth in the enacted budget shall constitute the budget appropriations for the ensuing fiscal year. The city council by ordinance may, during the fiscal year covered by the enacted budget, abrogate or decrease any unexpended allowance contained within the budget and reappropriate such unexpended allowances for other functions or programs. Transfers between allowances in the budget of any department, division or agency may be made upon approval by the budget director pursuant to such regulations as may be prescribed by ordinance.”*

DESCRIPTION/BACKGROUND

In August of 2018, the City Council authorized the purchase of seven replacement Ford Police Interceptor Utility units originally scheduled for retirement in 2019, because Ford was taking the units out of production in late 2018.

Staff placed the order prior to Ford’s deadline, however, Ford recently informed the City that the order for the units would not be fulfilled. In order to recognize the company’s cancellation of standing orders, and the increased cost of the new model units, Ford is offering purchasers of the new Police Interceptor model a \$3,000 per-unit factory cost reduction incentive and priority unit delivery dates scheduled for mid-summer 2019.

FISCAL IMPACTS

Year	Make	Model	Per “Road Ready” Unit (Avg.)	Total Cost of Seven Units (includes tax & incentive)	Operating Cost Reduction Annual/ Life of Unit	Notes
2019	Ford	Police Interceptor Utility AWD	\$48,871	\$342,097	N/A	Ordered in 2018. Ford cancelled orders. Units are no longer available.
2020	Ford	Police Interceptor Utility Hybrid AWD	\$54,336	\$380,354	\$(1,796)/ \$(10,776)	Hybrid option reduces fuel consumption, polluting emissions, maintenance down-time, and vehicle idle hours for system charging.

The restricted reserves designated for Police Department Fleet Replacement purchases are \$602,705. There is adequate cash available at this time for the purchase of these seven units.

The total increase in cost of the units is \$38,257 greater than was allocated for these purchases in the adopted 520 Fleet Fund 2019 budget. The decrease in operating costs for the seven units (\$12,572 per year for all seven) will offset the purchase price increase within just over three years (3.04). This is well within the six year life expectancy of these units.

If purchased as presented, the budget may need to be amended prior to the end of 2019 to offset the increased expenditure.

TIME CONSTRAINTS

The \$3,000 Ford factory incentive may be rescinded at any time. Ford has not announced an official deadline for the offering.

ALTERNATIVES

Do not authorize the increase.