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**CITY OF TEMPE**  
**REQUEST FOR COUNCIL ACTION**

**Council Meeting Date: 02/26/2015**  
**Agenda Item: 5B4**

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**ACTION:** Approve the utilization of a one-year State of Arizona contract with PFVT Motors (Peoria Ford) for the purchase of three Ford Interceptor utility vehicles to be used by the Police DUI Task Force.

**FISCAL IMPACT:** Total cost of this contract will not exceed \$100,000. Sufficient funds have been appropriated in the Police Department RICO and Grants Fund – Fund 45 – for the anticipated expenditure in the current fiscal year.

**RECOMMENDATION:** Approve the utilization of the contract.

**BACKGROUND INFORMATION:** (ADSP013-038802) The State of Arizona solicited and awarded a contract to PFVT Motors (Peoria Ford) for the purchase of police configured Ford vehicles which contains cooperative language allowing the contracts to be used by other governmental agencies.

The State of Arizona utilized a competitive bid process that established pricing based on purchase volumes anticipated for the State and other utilizing governmental agencies. The quantity of vehicles purchased under the State contract far exceeds the number of vehicles that would be purchased individually by any utilizing entity thereby leveraging cost savings for the City.

**Vehicle Replacement Strategy**

As part of a continuous effort to ensure that City operations are managed efficiently and cost effectively, City departments are collaborating with Financial Services and Public Works to strategically 'right-size' the fleet by eliminating or redeploying underutilized vehicles that are not mission-critical. This allows for the allocation of City funding to operational priorities throughout the organization.

Utilizing municipal fleet industry best practices, the City's vehicle replacement strategy is centered on lifecycle cost analysis (including vehicle cost, depreciation, operating and maintenance costs, and residual value at auction) to determine the lowest annualized cost of equipment by category to establish replacement guidelines that provide the lowest overall cost to the City. Additionally, meetings are held with departments to provide cost of ownership and vehicle utilization data, to verify the need for vehicle replacement, to explore the possibility of replacement with a smaller, more fuel efficient vehicle or elimination of the vehicle from the fleet before a decision is made to budget for a vehicle.

**ATTACHMENTS:** None

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