



CITY COUNCIL AGENDA REPORT

MEETING DATE: SEPTEMBER 21, 2010

ITEM NUMBER:

SUBJECT: AWARD BID 1139 – PURCHASE OF FOUR (4) MID-SIZE, FOUR DOOR, FIVE PASSENGER HYBRID SEDANS

DATE: SEPTEMBER 3, 2010

**FROM: FINANCE DEPARTMENT – FINANCIAL PLANNING DIVISION
PUBLIC SERVICES – FLEET SERVICES**

PRESENTATION BY: BOBBY YOUNG, BUDGET AND RESEARCH OFFICER

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RECOMMENDATION:

Staff recommends award of Formal Bid 1139 to Cardinale Nissan Inc, 1661 Del Monte Avenue, Seaside, California 93955, for the purchase of four (4) new 2011 Nissan Altima hybrid vehicles for the total of \$105,139.70. The net cost of the vehicles if paid within 20 days is \$103,139.70, which reflects a discount of \$500.00 per vehicle.

BACKGROUND:

City vehicles are maintained in the fleet and replaced based on the number of miles, the maintenance record and the age of the vehicle. Each of these vehicles, three (3) Ford Taurus' and one (1) Ford Crown Victoria model years 2001 and 2002, have between 148,956 to 168,900 miles. The vehicles have exceeded their useful life cycle. The maintenance costs for these vehicles are exceptionally high. Parts are becoming increasingly harder to find and the interiors are extremely worn. One of the vehicles has a bad transmission, and the cost of a transmission overhaul exceeds the current value of the vehicle. Another has worn suspension components and the transmission is of replacement age. The FY 10-11 Budget includes funding for these vehicles.

As required by the City of Costa Mesa Municipal Code, the "Notice Inviting Bids" was solicited from qualified vendors listed on the bidder's list, including seven (7) car dealers in Costa Mesa, and other vendors requesting a bid package. Thirteen prospective bidders were invited to bid. A "Notice Inviting Bids" was published in the Daily Pilot, posted on the public bulletin board in City Hall, and available on the City's web site for downloading. On August 30, 2010, the City Clerk received and read three (3) bid submittals.

ANALYSIS:

Of the three bid submittals received, Cardinale Nissan Inc. submitted the lowest responsive and responsible bid of \$105,139.70. The City did not receive bids from Costa Mesa car dealers. The bid tabulation is provided in Attachment I.

On September 4, 2007 the City Council adopted the Sustainable Municipal Green policy #500-14, which requires that old vehicles are replaced with alternative fuel or hybrid vehicles at the end of their life cycle.

Currently the Nissan Altima and the Ford Fusion are the only two hybrid models that meet the specifications of a mid-size, four-door car that can comfortably seat five adults. The 2011 Altima Hybrid offers the efficiency and fuel economy of a hybrid drive train. The Altima Hybrid power train combines a specialized version of Nissan's QR25 2.5-liter 4-cylinder engine and standard electronically controlled CVT with an advanced electric drive motor/generator. This combination increases fuel economy while maintaining low tailpipe emissions, earning Altima Hybrid a Partial Zero Emissions Vehicle (PZEV) rating. The fuel economy is rated at 35 mpg in the city and 33 mpg on the highway.

The specifications for the 2011 Nissan Altima meet City Council's criteria for energy conservation and higher efficiency. Staff anticipates a significant fuel savings and smaller carbon footprint through the use of hybrid replacement vehicles.

ALTERNATIVES CONSIDERED:

An alternative to purchasing the new hybrid vehicles would be to maintain the existing vehicles or to replace the vehicles with non-hybrid sedans.

Based on the age of the vehicles, the cost of maintenance and repair for these units, staff doesn't recommend maintaining the current vehicles.

It is estimated that while the initial cost of non-hybrid vehicles may be \$2,000 to \$3,000 lower, the fuel costs would be greater each year and the savings would be greatly reduced over the life of the vehicle. In addition, the purchase of non-hybrid vehicles would be in direct conflict with Council Policy #500-14. The current lead time for the vehicles is 120 – 150 days upon receipt of the order. The purchase of non-hybrid vehicles would require rejection of the current bids, and the process of soliciting a new formal bid. This would add, at a minimum an additional 60 days to the processing time; staff does not recommend this due to the urgent need for replacement vehicles.

FISCAL REVIEW:

The net cost for the new 2011 Nissan Altima hybrid cars including the \$500.00 discount for early payment is \$103,139.70. The FY 10-11 Budget provides funding for these four vehicles in the Equipment Replacement Fund. The amount is \$16,860.30 lower than the amount budgeted for these vehicles.

LEGAL REVIEW:

There is no legal review required on this item.

CONCLUSION:

Staff recommends that the City Council approve the purchase of the four new 2011 Nissan Altima hybrid vehicles.

COLLEEN O'DONOGHUE
Assistant Finance Director

DEBBIE CASPER, C.P.M., CPPB
Purchasing Supervisor

Attachments: [Attachment I, Bid Tabulation](#)

DISTRIBUTION: Public Services Director
Facility & Equipment Supervisor