

CITY OF YUBA CITY
STAFF REPORT

Date: March 2, 2021
To: Honorable Mayor & Members of the City Council
From: Police Department
Presentation By: Dennis Hauck, Police Traffic Sergeant

Summary

Subject: Purchase of five Police Traffic Motorcycles, and related buy back agreement

Recommendation: Adopt a Resolution to award the purchase of five (5) Harley Davidson FLHTP to Yuba City Harley Davidson of Yuba City, CA, in the amount of \$108,787.21 by finding that it is in the best interest of the City; and approval of related buy back agreements

Fiscal Impact: \$108,787.21 from the Vehicle Replacement Fund Account 6610-69405. Replacement funds in the amount of \$29,439 have accumulated in the vehicle replacement fund for these motorcycles. The remaining \$79,348.21 will come from the pooled Police Department vehicle replacement fund balance

Purpose:

Purchase of replacement Police Traffic Motorcycles

Background:

In 2003 the City entered into its first purchase agreement with Guidera's Harley Davidson of Yuba City (Guidera's) to acquire motorcycles for the Police Department with a buy back clause. The buy back clause obligated Guidera's to buy back the motorcycles after a specified term at a predetermined price. Over the years, as the retail price of the motorcycles and the retail environment has evolved, so has the buy back agreement. Previously, the agreements had the City retaining the motorcycles for three (3) years with a buy back at the original pre-tax base price less a discount of \$4,500 per motorcycle. The new contract will be a four (4) year contract.

Motorcycles continue to be an asset to the Police Department for use in traffic enforcement and collision response. The Police Department worked closely with Finance and Fleet Maintenance staff researching this purchase.

The proposed four (4) year buy back amount is the initial purchase price (excluding taxes and fees) minus \$4,500 per motorcycle.

Analysis:

Staff continues to review the financial soundness of each buy back agreement and compares it with other purchase options and currently this agreement with Yuba City Harley Davidson remains the best available value for fielding police motorcycles.

The buy back will take place within or about March of 2021 for \$4,500 less than the original purchase price not including taxes and fees. This agreement keeps the city with a local vendor and saves the city the hassle of dismantling the current motorcycles and selling them to the public. The total buy back from the current four (4) 2017 motorcycles is \$46,584 or \$11,646 per motorcycle. The future buy back of the 2021 motorcycles on or about March 2025 will be set at \$13,042 per unit.

- One motorcycle was totaled in a traffic collision in 2020 and the insurance paid out \$16,078 which was deposited into the vehicle replacement fund.

A four (4) year buy back agreement allows us to sell back the motorcycles prior to the need for costly out of pocket repairs begins to occur on aging motorcycles.

The current contract obligated the dealer to buy back the motorcycles, barring any deterioration other than normal wear and tear, in December of 2019. The contract could be voided if the city chooses to retain the current motorcycles any further.

\$125,000 was budgeted for these vehicle replacements in the budget. We were able to save City funds by utilizing some of the existing emergency equipment from the motorcycles being bought back by the dealership under the existing contract.

Fiscal Impact:

\$108,787.21 from Vehicle Replacement Fund Account 6610-69405. Replacement funds in the amount of \$29,439.00 have accumulated in the vehicle replacement fund for these motorcycles according to Finance. The remaining \$79,348.21 will come from the pooled Police Department vehicle replacement fund balance.

Alternatives:

- 1) Adopt recommendations with amendments
- 2) Defer purchase of new motorcycles
- 3) Request competitive bid process

Recommendation:

Adopt a Resolution to authorize the purchase of five (5) Harley Davidson FLHTP to Guidera's Harley Davidson of Yuba City, CA, in the amount of \$108,787.21 by finding that it is in the best interest of the City; and approval of related buy back agreements.

Attachments:

1. Resolution
 - A. Proposal from Harley Davidson of Yuba City
 - B. Terms and Conditions of Buy Back Agreement

Prepared By:

/s/ Dennis Hauck
Dennis Hauck
Police Traffic Sergeant

Submitted By:

/s/ Dave Vaughn
Dave Vaughn
City Manager

Reviewed By:

Department Head

Finance

City Attorney

RL

SM

SLC by email

ATTACHMENT 1

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
AUTHORIZING THE SOLE SOURCE PURCHASE OF 5 POLICE TRAFFIC MOTORCYCLES
FROM GUIDERA'S HARLEY DAVIDSON OF YUBA CITY FOR THE
YUBA CITY POLICE DEPARTMENT TRAFFIC UNIT**

WHEREAS, Motorcycles continue to be an asset to the Police Department for use in traffic enforcement and collision response; and

WHEREAS, the Police Department's current traffic motorcycles are due for replacement; and

WHEREAS, the Police Department worked closely with Finance and Fleet Maintenance in researching this purchase; and

WHEREAS, Guidera's Harley Davidson of Yuba City provides a quality product, competitive pricing including a buy back agreement, and is the only authorized Harley Davidson dealer in the area; and

WHEREAS, the City has met the requirements to sole source the equipment pursuant to Public Contract Code section 3400(c) and City Purchasing Policies section 8-8.4.2; and

WHEREAS, budgeted funds are currently set aside for replacement of existing equipment and the City has accumulated amount of \$108,787.21 in vehicle replacement funds; and

WHEREAS, City Council authorizes the sole source purchase of police traffic motorcycles from Guidera's Harley Davidson of Yuba City, for the Police Department Traffic Unit.

NOW, THEREFORE, be it resolved by the City Council of the City of Yuba City as follows:

1. The City Council finds that all of the facts set forth in the recitals above are true and correct and incorporated herein.
2. The City Council finds that a sole source award is appropriate on grounds including that the City began purchasing police traffic motorcycles from Guidera's Harley Davidson of Yuba City in 2003, that Harley Davidson are best suited to meet the current needs of the police department traffic unit, that this product is one with which department staff have specialized training and/or expertise, and that the buy back option makes it financially and practically feasible to replace the Police Department's aging motorcycle fleet. As such, the City Council finds that it is in the best interest of the City to make a sole source award to Guidera's Harley Davidson of Yuba City, for the purchase of police traffic motorcycles.
3. The City Council of the City of Yuba City hereby authorizes the purchase of five (5) Harley Davidson Motorcycles identified on Attachment A in the amount of \$108,787.21, and further authorizes the Police Department to enter into a buy back agreement with Guidera's Harley Davidson of Yuba City with the terms of this Resolution and the Proposal attached hereto, and subject to approval of the agreement as to legal form by the City Attorney.
4. This Resolution shall become effective immediately.

The foregoing Resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 2nd day of March 2021.

AYES:

NOES:

ABSENT:

ATTEST:

Marc Boomgaarden, Mayor

Ciara Wakefield, Deputy City Clerk

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY:

Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

Attachment(s):

- A. Proposal from Harley Davidson of Yuba City
- B. Terms and Conditions of Buy Back agreement

ATTACHMENT A



Harley-Davidson Of Yuba City
 720 W Onstott Rd
 Yuba City, CA 95991
 PH: 530-673-3548 Fax: 530-673-4731

November 20, 2020

Proposal for Yuba City Police Department
 Break down for each Motorcycle

2021 FLHTP	Base Price	\$17,542.00 T
Security System	STD	\$0.00 T
Houston Paint (049)		\$595.00 T
Anti-Locking Braking System (ABS)	STD	\$0.00 T
Doc Fee		\$85.00 T
Tire Fee		\$3.50
Freight		\$435.00 T
Parts		\$6,137.00 T
Labor to Install Parts	18 hrs @ \$118	<u>\$2,124.00</u>
	Sub Total:	\$26,921.50
Sublet Labor & Parts to Install Radio, Radar, Gun Mount (Cop Shop Installations)		<u>\$775.00 T</u>
	Sub Total:	\$27,696.50
Sales Tax 7.25%		\$2,007.74
4 Year Extended Service Plan		<u>\$1,370.00</u>
	Sub Total Per Bike:	\$31,074.24
	5 Bikes @ \$31,074.24	\$155,371.21
Buy Back On 2017 FLHTP w/ABS	4 Bikes @ \$11,646	<u>\$46,584.00</u>
	Grand Total:	\$108,787.21

*Future buy back base on base price, Less \$4500.00
 Buy back would be \$13,042.00 in four years, 2025 Model Year

X  X _____

ATTACHMENT B

TERMS AND CONDITIONS
OF
BUY BACK AGREEMENTS

This Agreement is made by and between the City of Yuba City (hereafter "City") and Harley-Davidson of Yuba City (hereafter "Dealership") for the purchase of motorcycles to be used by the Yuba City Police Department.

1. The City agrees to purchase one (1) Model Year 2021 Harley-Davidson FLHTP Police Electra Glide Motorcycle (hereafter "2021 Motorcycle") from the Dealership. Dealership agrees to buy back from the City the same 2021 Harley-Davidson motorcycle being sold on _____, Stock Number _____. Dealership agrees to buy back the 2021 Motorcycle during the four-year period following the sale date above. Dealership shall buy back the 2021 Motorcycle for \$4,500 less than the original purchase price not including taxes and fees.
2. Upon return of the 2021 Motorcycle to the Dealership, Dealership shall sell to City one (1) Model year 2025 Harley-Davidson FLHTP Police Electra Glide motorcycle or its equivalent (hereafter "2025 Motorcycle"). For the 2025 Motorcycle, City shall pay Dealership an amount equal to the sales tax on the then-current market price of the 2025 Motorcycle, excluding all fees. During the four-year following City's purchase of the 2021 Motorcycle, City may opt to use the 2021 Motorcycle to participate in Dealership's buy-back program under the same terms and conditions as provided for in paragraph 1., or other terms and conditions to which the parties agree at that time.
3. Dealership will perform all maintenance and required servicing of the Motorcycle purchased by City under this Agreement. Warranty work or warranty repairs will be performed at no cost to the City. The City is electing to purchase the Extended warranty service plan \$1370.00. Dealership will perform the 1,000-mile service for a flat fee of \$430.00; the 5,000-mile service for a flat fee of \$430.00; the 10,000-mile service for a flat fee of \$430.00; and the 15,000-mile service for a flat fee of \$430.00. Service appointments shall be set up through the City of Yuba City Police Department. All repairs above and beyond routine servicing or outside of the Warranty coverage will be charged at the Labor rate of \$118 per hour excluding parts and/or materials. The City retains the right to supply any parts or materials needed for repairs. No repairs of this type shall be made without prior approval from a representative of the City's Fleet Maintenance Section.

4. The City will ensure that the motorcycle purchased from the Dealership under the Agreement are protected from any deterioration other than normal wear and tear. Prior to the buy back by Dealership, a representative from the Dealership and the City shall inspect the motorcycle to verify their condition.

5. In the event the motorcycle purchased by City under this Agreement are partially damaged prior to end of their respective Four-year buy-back periods, the City shall repair and restore the motorcycle to working order for the purpose intended. If Dealership makes any such restoration repairs for the City, the repairs will be subject to the Labor Rate stated in Section 3 above, excluding any required parts or materials. The City retains the right to supply any parts or materials needed for repairs. No repairs of this type shall be made without prior approval from a Representative of the City. If the motorcycle is destroyed beyond repair, Dealership is relieved of its obligation to buy-back the motorcycle.

6. Dealership shall not make any alterations or modifications to the motorcycle purchased by City under this agreement without prior authorization from a Representative of the City. City owned emergency equipment shall be installed on and removed from the motorcycle by either the City or the Dealership at hourly rate in paragraph 3 as determined by the City.

7. The City agrees to return the same motorcycle stated in Section 1 of this agreement (the 2021 motorcycle) to dealership on or about _____.

2021 MOTORCYCLE VIN: _____

The identification and date for return of the 2021 Motorcycle shall be established by parties at the time of its purchase.

CITY OF YUBA CITY

Print: _____

DATE: _____

Sign: _____

HARLEY-DAVIDSON OF YUBA CITY

Print: _____

DATE: _____

Sign: _____