

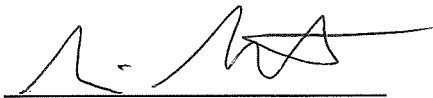
HAMILTON POLICE SERVICES BOARD

- RECOMMENDATION -

DATE: 2018 July 26
REPORT TO: Chair and Members
Hamilton Police Services Board
FROM: Eric Girt
Chief of Police
SUBJECT: *Pre-Budget Approval 2019 Vehicles*
PSB 18-088; see also PSB 02-052

RECOMMENDATIONS:

- a) That the Board pre-approve the expenditure of \$1,486,242 for the purchase of twenty (20) 4x4 utility police cruisers, four (4) divisional safety officer vehicles, eleven (11) used plain door vehicles, two (2) replacement forensic vehicles, two (2) K9 vehicles, one (1) ACTION vehicle and fourteen (14) bicycles.
- b) That the funds for the acquisition of the new vehicles to be taken from the Vehicle Replacement Reserve Account #53415.
- c) That the Board pre-approve the expenditure of \$426,000 for the upfitting of the above-referenced vehicles and the funds be taken from Fleet Upfitting Account #58102.
- d) That Fleet staff be authorized to participate in the provincial Police Co-Operative Purchasing Group, using the Province of Ontario Vendor of Record Vehicle Acquisition Program, for the above-mentioned police specific vehicles.
- e) That Fleet staff be authorized to purchase used plain door vehicles, as outlined in *PSB 02-052 - Used Vehicle Purchases*.



Eric Girt
Chief of Police

FINANCIAL / STAFFING / LEGAL IMPLICATIONS:

FINANCIAL – The total cost of procuring and upfitting the above-noted vehicles and equipment is estimated to be \$1,912,242. The request for these replacement vehicles and equipment will be included in the 2019 budget submissions for the Fleet Branch.

Revenue of approximately \$150,000 will be realized for vehicles disposed of during 2019. These funds will be deposited into the Vehicle Replacement Reserve Account.

STAFFING – n/a

LEGAL – n/a

BACKGROUND:

In 2017 the Police Services Board approved a vehicle replacement funding strategy that established a yearly base amount that would be sustainable over future years with minor increases to match vehicle manufacturer's increases. The base funding was established at \$1,457,100 and was increased 2% (vehicle inflation) to \$1,486,242 for 2019.

Command staff, within Corporate Services, is requesting the pre-approval of these funds to allow ordering of replacement vehicles and equipment in the late summer of 2018 to secure delivery of the 20 Utility vehicles prior to an extremely early order cutoff date of September 29, 2018. This is the earliest staff have requested this pre-budget approval. Normally this request goes before the Board in September or October.

Ford announced to the Police Co-operative Purchasing Group (PCPG) on July 4, 2018 that the current Ford Utility PI (Police Package Explorer) will have an extremely short production in 2019 and will be replaced with a newly designed vehicle for 2020. For this reason, the 2019 order bank will open late July on a first come, first serve basis for ordering the 2019 Ford Utility PI. Ford has warned that although the final date for the order bank is September 29, 2018, it is fully expected that production capacity will be reached prior to this date. For this reason, staff are requesting pre-budget approval for the purchase of these vehicles as soon as the order bank opens.

The Hamilton Police Service has been purchasing an equal number of Ford Utility PIs and Dodge Chargers on a yearly basis. This is done for a number of reasons. The life cycle costing of both vehicles is similar. Both vehicles are all wheel drive (AWD). Recall management is perhaps the greatest reason for purchasing equal numbers from different suppliers. Recall management minimizes the risk of having an inordinate number of recalls from one supplier that results in all the patrol fleet having to be subjected to large numbers of recalls. Staff are recommending abandoning the equal distribution for 2019 and 2020 in order to not purchase the new 2020 Ford Utility PI during the initial release year. Experience has shown that many production and operational issues present themselves in the first model year of any new vehicle. Staff

are hoping to avoid this by buying only the proven Ford Utility PI in 2019 and then purchasing only Dodge Chargers in 2020 during the release year of the new Ford Utility PI. The equal distribution purchasing would likely resume in 2021.

The Board is also being made aware that the patrol vehicles purchased in 2019 will be upfitted at the factory and not in the police garage as is normally done. The premium associated with upfitting by the manufacturer is approximately \$6,000 per unit or an additional \$144,000. Funding for the up fitting of two forensic vehicles (\$25,000), two K9 unit (\$14,000) and one ACTION vehicle (\$5,000) is also included and not normally required as part of year to year upfitting. This is unavoidable because the staff member that completes the upfitting has given notice that he will be off most of 2019 on parental leave. The upfitting of police vehicles is highly technical and it is not possible to hire this expertise for a contract period. All manufacturers offer upfitting at a competitive rate as part of their selection of options. Staff also inquired if other nearby Police Services might be able to provide this upfitting on a fee for service but no other Services have the capacity.

Many of the used vehicles will be purchased during December 2018 and January 2019 when resale prices are at their lowest. This maximizes the purchasing power of the available funding.

New police package units will be purchased through the provincial PCPG. The calling agency for the PCPG for 2019 will be the Ministry of Government Services - Ontario Shared Services Vehicle Acquisition Program.

The balance of the vehicles being recommended for pre-budget approval will be procured using the guidelines set forth in *PSB 02-052* for the purchase of used vehicles.

EG/D. Bowman

cc: Anna Filice, Chief Administrative Officer
John Randazzo, Chief Accountant – Finance
Dan Bowman, Manager – Fleet/Facilities
Doris Ciardullo, Supervisor – Procurement & Stores Branch