



SCHOOL BOARD ACTION REPORT

DATE: May 20, 2019
FROM: Denise Juneau, Superintendent
LEAD STAFF: JoLynn Berge, Chief Financial Officer, jdberge@seattleschools.org

For Introduction: May 29, 2019
For Action: May 29, 2019

1. TITLE

Approval of the purchase of replacement Fleet Vehicles

2. PURPOSE

This Board Action Report authorizes the purchase of operating fleet vehicles that will replace current required district vehicles that are inefficient, unreliable or unsafe to operate.

3. RECOMMENDED MOTION

I move that the School Board authorize the Superintendent to execute a contract with the Washington State Department of Enterprise Services in an amount not to exceed \$575,000 for the purchase of replacement fleet vehicles, that are not eligible to be purchased through the Capital Fund in FY19-20, except as needed for summer 2019 maintenance, in the form of the attached list (or equivalent vehicles, depending on pricing and availability when the final purchase order is processed), with any minor additions, deletions, and modifications deemed necessary by the Superintendent, and to take any necessary actions to implement the purchase. Immediate action is in the best interest of the district.

4. BACKGROUND INFORMATION

- a. For at least the previous twenty years, the district has not been able to fund a proactive management of its fleet of operating vehicles. These vehicles are used for a variety of purposes from transporting maintenance tools and staff, security personnel, grounds equipment and food and package deliveries to schools. The fleet currently totals 215 operating vehicles with an average age of seventeen years. The newest vehicle was purchased in 2017 and the oldest in 1972. Purchases over the last twenty years have been inconsistent and typically occur when a vehicle completely fails and staff are unable to perform their work. The District is at the point of needing to take action that is more cost effective in the long term.

In addition to currently operating vehicles, the district has retained several vehicles that do not operate in order to use them for spare parts when other vehicles have maintenance problems.

To help address some of the problem of replacing unreliable vehicles, various departments within the district began the process of entering financing leases for new

vehicles. Leases are typically for five-year periods, at which time the district must either purchase the vehicle or return it to the financing company. Leases force the district to replace vehicles every five years instead of the standard ten years for school districts, which is an ineffective way to modernize the district's fleet.

This motion will allow the District to replace approximately 18 high-use vehicles ranging in age from 10 to 35 years old (approximately 8% of the fleet). The prioritized list of vehicles was developed over the last year after gathering and analyzing organization needs, vehicle maintenance costs and alternative ways to begin to modernize the current vehicle fleet.

- b. **Alternative:** Replace a smaller portion of the fleet and continue to perform high cost repairs to keep other vehicles functioning.
- c. **Research:** Staff reviewed fleet documents, repair records and vehicle usage requirements to develop a prioritized list of replacement vehicles. Recommended vehicles were developed through conversations with other school districts and the state on available vehicles and standard lifecycles to ensure the district was moving towards cost effective, industry standard replacements. Staff also did detailed analysis to determine if leasing was in fact a better, more cost effective way to operate, but analysis indicated that leases would not be more cost effective.

5. FISCAL IMPACT/REVENUE SOURCE

Fiscal impact to this action will be purchasing vehicles totaling no more than \$575,000 from funds set aside for this purpose by the school board during the FY18-19 budget development process. Prices will go up if orders are not placed by July.

The revenue source for this motion is the General Fund.

Expenditure: One-time Annual Multi-Year N/A

Revenue: One-time Annual Multi-Year N/A

6. COMMUNITY ENGAGEMENT

With guidance from the District's Community Engagement tool, this action was determined to merit the following tier of community engagement:

Not applicable

Tier 1: Inform

Tier 2: Consult/Involve

Tier 3: Collaborate

7. EQUITY ANALYSIS

A formal equity analysis was not completed for this recommendation.

8. STUDENT BENEFIT

Increased vehicle reliability will improve the District’s ability to respond to requests for assistance and repairs to the learning environment, allow goods to be provided to schools in a timely manner and ensure security staff can rapidly respond to school incidents. It will also reduce the amount of funds being spent annually to maintain vehicles that are past their useful lives.

9. WHY BOARD ACTION IS NECESSARY

- Amount of contract initial value or contract amendment exceeds \$250,000 (Policy No. 6220)
- Amount of grant exceeds \$250,000 in a single fiscal year (Policy No. 6114)
- Adopting, amending, or repealing a Board policy
- Formally accepting the completion of a public works project and closing out the contract
- Legal requirement for the School Board to take action on this matter
- Board Policy No. _____, [TITLE], provides the Board shall approve this item
- Other: _____

10. POLICY IMPLICATION

Per policy No. 6220, Procurement, any contract over \$250,000 must be brought before the Board for approval.

11. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Audit and Finance Committee meeting on May 20, 2019. The Committee reviewed the motion and moved it forward for consideration by the full board.

12. TIMELINE FOR IMPLEMENTATION

Upon approval of this motion, a purchase order will be generated with the Washington State Department of Enterprise Services for new vehicles. Delivery and acceptance should occur before the start of the FY19-20 school year, at which time vehicles being replaced will be surplus.

13. ATTACHMENTS

- District Vehicle Replacement List dated 05/29/2019 (for reference)

District Vehicle Replacement List

05/29/2019

Priority	Current Vehicle	Age Yrs	Odometer	Maintenance Costs		Replacement Vehicle	Est Replacement Cost*	Decision Variables	drive
				FY 17-18	2009-2018 Maint Exp				
1	Jeep Liberty	10	144,379	\$2,217.74	\$5,091.33	4WD/AWD COMPACT UTILITY	\$27,830	Age, Condition	4WD/AWD
2	PICKUP	21	200,182	\$1,510.37	\$12,536.31	WORK PICK UP TRUCK	\$29,040	Age, Condition, Repair Costs	2WD
3	PICKUP	35	152,260	\$2,626.97	\$10,293.51	WORK PICK UP TRUCK	\$29,040	Age, Condition, Repair Costs	2WD
4	PICKUP	31	140,134	\$862.89	\$18,477.57	WORK PICK UP TRUCK	\$29,040	Age, Condition, Repair Costs	2WD
5	PICKUP	21	154,780	\$1,522.87	\$10,171.44	WORK PICK UP TRUCK	\$29,040	Age, Condition, Repair Costs	2WD
6	PICKUP	19	140,916	\$1,339.47	\$10,185.86	WORK PICK UP TRUCK	\$29,040	Age, Condition, Repair Costs	2WD
7	PICKUP	22	237,273	\$3,412.71	\$17,509.35	WORK PICK UP TRUCK	\$29,040	Age, Condition, Repair Costs	2WD
8	PICKUP	19	12,543	\$1,637.93	\$18,624.67	WORK PICK UP TRUCK	\$29,040	Age, Condition, Repair Costs	2WD
9	PASSENGER CAR	19	66,326	\$533.90	\$533.90	CARGO/WORK VAN	\$32,670	Age, Condition	2WD
10	CARGO VAN	20	79,216	\$872.76	\$6,475.09	CARGO/WORK VAN	\$32,670	Age, Condition, Repair Costs	2WD
11	CARGO VAN	20	80,603	\$662.92	\$8,292.77	CARGO/WORK VAN	\$32,670	Age, Condition, Repair Costs	2WD
12	PASSENGER CAR	19	73,915	\$1,134.61	\$1,525.63	2WD COMPACT UTILITY VEHICLE	\$26,620	Age, Condition	2WD
13	PASSENGER CAR	18	91,997	\$1,388.35	\$5,837.45	CARGO/WORK VAN	\$32,670	Age, Condition	2WD
14	PASSENGER CAR	22	59,836	\$1,332.26	\$3,880.89	CARGO/WORK VAN	\$32,670	Age, Condition	2WD
15	PASSENGER CAR	20	85,048	\$175.20	\$1,875.83	CARGO/WORK VAN	\$32,670	Age, Condition	2WD
16	STEP VAN	29	180,476	\$3,466.86	\$14,498.06	CARGO/WORK VAN	\$32,670	Age, Condition, Repair Costs	2WD
17	STEP VAN	31	170,503	\$1,301.35	\$26,471.43	CARGO/WORK VAN	\$32,670	Age, Condition, Repair Costs	2WD
18	STEP VAN	25	128,308	\$865.76	\$14,199.83	CARGO/WORK VAN	\$32,670	Age, Condition, Repair Costs	2WD
							<u>\$551,760</u>		

*Note amounts include sales tax