



City of Huntington Beach

File #: 22-807

MEETING DATE: 2/21/2023

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Al Zelinka, City Manager

VIA: Scott M. Haberle, Fire Chief

PREPARED BY: Eric Dieterman, Marine Safety Division Chief
Bonnie To, Principal Administrative Analyst

Subject:

Authorize execution of an agreement with Toyota for vehicles for Marine Safety, Beach Parking, and Beach Maintenance and approve appropriation of funds

Statement of Issue:

Toyota Motor Sales, U.S.A., Inc. and Southern California Toyota Dealers Advertising Association ("Toyota") request to enter into an agreement to be the official Marine Safety vehicle for the City of Huntington Beach. The agreement states that Toyota would provide a total of 24 new vehicles over two years at no cost to the City. Vehicles will be utilized by the Marine Safety, Beach Parking, and Beach Maintenance divisions.

Financial Impact:

If approved, this agreement would save the City \$1,200,731 in General Fund dollars that would otherwise have been spent on directly purchasing the 24 vehicles.

In addition, the total Radio and Equipment Upfitting Costs would be \$339,019 for the 24 vehicles (or \$14,126 per vehicle) and include radios, GPS antenna, mounts, lightbars, speakers, brackets, roof equipment, control center, camper shell, racks, locks, and drawer systems. It should also be noted that this agreement includes five more vehicles than the previous agreements with Toyota. Increased maintenance costs for these five vehicles total \$22,150 (\$4,430 per vehicle); The Fire Department has \$100,000 in existing budget that is requested to be transferred to help pay for the Total Radio and Equipment Upfitting Costs. Therefore, after transferring the \$100,000 from the existing Fire Department Budget, an additional budget appropriation of \$239,019 is requested to cover the remaining Total Maintenance and Total Radio and Equipment Upfitting Costs.

When accounting for the \$1,200,731 value of vehicles minus the \$239,019 in total costs, the net cost savings would be \$961,712. Please see the attached cost estimate for details.

Recommended Action:

Authorize the Mayor and City Clerk to execute "Promotional Agreement Between the City of Huntington Beach and Southern California Toyota Dealers Advertising Association" to provide 24 vehicles for Marine Safety, Beach Parking, and Beach Maintenance uses; approve the appropriation of \$216,869 in Equipment Replacement Fund 324 and \$22,150 in the General Fund Fleet Maintenance business unit 10085705 to upfit and maintain the vehicles.

Alternative Action(s):

- 1) Do not authorize execution of an agreement with Toyota to provide 24 vehicles for Marine Safety, Beach Parking, and Beach Maintenance uses, and direct staff accordingly. Direction may include a new budget appropriation to directly purchase 24 vehicles, upfit and maintain them using City funds.

Analysis:

The agreement states that Toyota would provide a total of 24 new vehicles at no cost to the City of Huntington Beach for Marine Safety, Beach Parking, and Beach Maintenance. The City of Huntington Beach has had a promotional agreement with Toyota to provide vehicles for Marine Safety, Beach Parking and Beach Maintenance uses since 2008. By re-entering into an agreement with Toyota to provide 24 new vehicles at no cost to the City of Huntington Beach, these vehicles will help the three divisions to continue providing quality public service and safety to our community and visitors. It should also be noted that Toyota has similar promotional agreements with the County of Los Angeles and the City of San Diego.

If approved, the agreement will also provide Grant of Sponsorship Rights to Toyota (see page 3 of the agreement), which includes sponsorship signage on Lifeguard Towers 3 and 4. Sponsor Obligations are listed on Page 6 of the agreement. This Agreement would commence on the date of the Huntington Beach City Council's execution of the agreement and shall continue for two years; the agreement may be extended for two additional two-year periods on the same terms and conditions specified in this Agreement.

Based on analysis by the Finance Department and the Fire Department, the 24 vehicles that Toyota would provide in this agreement qualify as an exemption to the City's Bidding Requirement Exemptions as defined in Municipal Code 3.020.080. Therefore, an RFP was not required for this agreement.

Environmental Status:

Pursuant to CEQA Guidelines Section 15378(b)(5), administrative activities of governments that will not result in direct or indirect physical changes in the environment do not constitute a project.

Strategic Plan Goal:

Financial Sustainability, Public Safety or Other

Attachment(s):

1. Agreement with Toyota for vehicles for Marine Safety, Beach Parking, and Beach Maintenance
2. Cost Estimates
3. PowerPoint Presentation

