



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Sheriff
Department No.: 032
For Agenda Of: 04-03-2007
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors

FROM: Department Sheriff Bill Brown
Director(s)
Contact Info: Douglas Martin, ext 4293

SUBJECT: Approve Funding and Purchase of Sheriff Transport Bus

County Counsel Concurrence

As to form: Yes

Other Concurrence: Purchasing

As to form: Yes

Recommended Actions:

That the Board:

- 1) Adopt and execute an amendment to the Master Equipment Lease Purchase Agreement and the Acquisition Fund and Account Control Agreement with Banc of America Leasing & Capital, LLC authorizing the substitution of a Sheriff's inmate transport bus in place of county-wide copiers, in an amount not to exceed \$377,534 and extend the escrow account at Deutsche Bank through December 31, 2007.
- 2) Approve the sole source vendor request of the Sheriff's Department to purchase a Sheriff's Inmate Transport Bus from MCI, not a local vendor.
- 3) Approve Budget Revision #2006628 establishing the debt service payment by the Sheriff's Department for FY2006-07.

Summary Text:

The Sheriff's Department currently runs a fleet of five large Inmate Transport busses as well as several smaller vans. These vehicles are used to transport inmates from the Jail Facility to the various court facilities throughout the County as well as other incarceration facilities. Four of the five busses are older (13 to 23 years old) and higher mileage (134,000 to 545,000 miles as of March 2006). The age of the busses as well as wear and tear have created reliability issues and higher costs of repair. A multi-year replacement plan for the aging fleet of Inmate Transport busses has been included in the FY2007-2012 Capital Improvement Plan.

A new Inmate Transport bus will cost nearly \$480,000. Proceeds from the county-wide copier lease financing have become available due to the Department of Social Services identifying up-front Federal/State revenue to pay the \$377,534 cost for their copiers. Collaboration between the Debt Advisory Committee, the CEO and the Sheriff's department has resulted in the recommended proposal to use the remaining debt proceeds, along with operating budget funds, to purchase one new bus. The debt service costs of approximately \$84,000 per year will be covered by the Sheriff's budget over a period of five years.

Inmate Transport vehicles are a highly specialized industry. The busses have to be manufactured to provide secure and reliable transportation. Motor Coach Industries (MCI) is used by the majority of state prisons and county correctional facilities for the movement of inmates. It is recommended that the bidding procedures be waived and that the purchase of this Inmate Transport bus be made from MCI.

Background:

The request for utilizing the copier lease financing proceeds toward purchase of the bus was presented to the Debt Advisory Committee (DAC) on December 22, 2006. The DAC unanimously approved that the request be sent to the Board for consideration. This request is included in the County Capital Improvement Program for FY2007-2012 as part of a larger fleet modernization project.

The recommendation was made based on the following facts. In prior years the County rented its copiers via an "operating lease" for a period of years. When this service was bid out last year at the end of the lease term, the financing cost of the operating lease was much greater than could be obtained by purchasing the copiers via a "capital lease". The DAC approved the financing of \$2,400,000 of copier equipment. Subsequent to executing the lease contract, Social Services notified us that they are able to purchase their copiers on their reimbursement claims to the Federal and State Governments in the year of acquisition, rather than over the five years of the lease contract. This is beneficial to the Department as the Department would not have to incur the interest cost of the financing.

This situation has made \$377,534 of the total \$2,400,000 "available" for another purpose. Since this amount is available at a fixed 3.96% interest rate, and immediate repayment of the excess amount would cost a one half of one percent prepayment fee, it is in the County's interest to substitute another scheduled equipment purchase to replace the reimbursed Social Services copiers. The DAC staff notified the Budget Director of the situation, and the Sheriff's bus was suggested as the replacement equipment.

Fiscal and Facilities Impacts:

Budgeted: Yes **Fiscal Analysis:**

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			\$ 102,216.00
State		\$ 84,000.00	
Federal			
Fees			
Debt Proceeds			\$ 377,534.00
Total	\$ -	\$ 84,000.00	\$ 479,750.00

Narrative:

The proposed bus would be purchased with a combination of financed debt proceeds (\$377,534) and \$102,216 from the Sheriff's Department operating budget in FY2007-08. The purchase is being managed by the General Services Vehicle Operations unit. The bus will be added to the fleet as an assigned vehicle and one of the existing older busses will be taken out of service. The additional operating cost of the new bus in the fleet, due to the addition of depreciation costs, will be absorbed by the Sheriff's Department in future fiscal years. The annual debt service cost of \$84,000 per year for five years will also be covered by the Sheriff's Department.

Special Instructions:

Please send a copy of the signed Amendment and a minute order to the following individuals:

Doug Martin, Sheriff's Department
Stacey Matson, Treasurer's Department
John McMillin, Purchasing Agent

Attachments:

Amendment #1 of the Lease and Purchase agreement with Banc of America
Amendment #1 of the Acquisiton Fund and Account Control Agreement with Banc of America
Budget Revision #2006628

Authored by:

Douglas Martin, CFO, Sheriff's Department

cc: