

9) **Cost Increase for Purchase of Vessel Engines**

Approve and authorize the City Manager to approve \$1,957.32 additional funds for Last Chance Performance Marine, Inc. for the inflation cost for the purchase of three (3) Vessel Engines in a total amount not to exceed \$72,121.56 in such final form approved by the City Attorney.



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Jason Simpson, City Manager

Prepared by: Rick DeSantiago, Public Works Manager

Date: September 26, 2023

Subject: Cost Increase for Purchase of Vessel Engines

Recommendation

Approve and authorize the City Manager to approve \$1,957.32 additional funds for Last Chance Performance Marine, Inc. for the inflation cost for the purchase of three (3) Vessel Engines in a total amount not to exceed \$72,121.56 in such final form approved by the City Attorney.

Background

On October 11, 2022, the City Council approved the purchase of three (3) Vessel Engines from Last Chance Performance Marine, Inc., in the total amount of \$70,164.24 (including tax). The City of Lake Elsinore has historically purchased and owned 5 vessels. On average, the age of the engines on the City's vessels is 7 to 8 years. The City maintains all vessels for use by the Sheriff's Department.

Discussion

Staff requested authorization and City Council approved the purchase of the following vessels:

1. One (1) 250 Verado XL
2. One (1) 250 Verado XXL
3. One (1) 250 Verado CXXL

Due to supply chain disruptions, the Vessel Engines were not available for delivery. Due to increase in production costs, materials, and wages, a surge in demand for products and services, the cost of the vessel engines was increased. The total increase is \$1,957.32.

Cost Increase for Purchase of Vessel Engines

Fiscal Impact

Funds are available in the City's Internal Service Fund for FY23/24.

Attachments

Attachment 1 - Original Quote

Attachment 2 - Buyer's Order

Last Chance Performance Marine Purchase Agreement

Order Date:

8/22/2022

Engine Size:

1 X 250 Verado XL

Engine Size:

1 X 250 Verado XXL

Engine Size:

1 X 250 Verado CXXL



Customer Name: City Of Lake Elsinore

Customer Contact: Louis

Customer Phone: 951-805-9927

601 S. Sanderson Avenue
Hemet, Ca. 92545
1-951-765-1800

PACKAGE PRICE:

Mercury

1 X 250XL Verado 5.44" 1.85 Cambered Skeg

\$ 20,599.00

1 X 250XXL Verado 5.44" 1.85 Cambered Skeg

\$ 20,999.00

1 X 250CXXL Verado 5.44" 1.85 Cambered Skeg

\$ 20,999.00

Sub Total

\$ 62,597.00

Subtotal	\$ 62,597.00
Tax	8.75%
Tax	\$ 5,477.24
Total w/tax	\$ 68,074.24
Shipping	\$ 100.00
Shop Supplies	\$ 100.00
Labor	\$ 1,890.00

Install New Engine / Lake Elsinore Removes old one (Two Different Boats: 945.00 Each)

TOTAL

\$ 70,164.24

NOTICE: This is a binding purchase agreement. If you have placed an order for a custom Boat/Engine (you are not purchasing from LCPM Stock) you have 72 hours from the time you place the order to cancel without recourse. A deposit of \$ 1000.00 and approved credit (If Not Cash / Check Deal), is required to place a special ordered boat or Engine. Your deposit is non-refundable if you cancel after the 72 hour cancellation period. If you order a stock Boat or Engine your deposit is refundable unless you have order specialized equipment or rigging. Your deposit is non refundable once rigging has begun. You must sign below to acknowledge you have read and understand the terms of this agreement.

Customer Signature: _____ Date: _____

Dealership Signature: *Dan Merchant* Date: 8/22/2022

Confidential

Last Chance Performance Marine, Inc.

601 S. Sanderson Avenue

Hemet CA 92545

951-765-1800

City of Lake Elsinore

Buyer's Order

09/12/2023

Order No. 2580

Salesman LYNNE PETERSON

130 S. Main Street
Lake Elsinore CA 92530
951-674-3124

I hereby agree to purchase the following unit(s) from you under the terms and conditions specified. Delivery is to be made as soon as possible. It is agreed, however, that neither you nor the manufacturer will be liable for failure to effect delivery.

Unit Information

New/U	Year	Make	Model	Serial No.	Stock No.	Price
New	2023	MERCURY	250 XL Verad	3B418733	3B418733	\$20,599.00
New	2023	MERCURY	250XXL Verad	3B419183	3B419183	\$20,999.00
New	2023	MERCURY	250CXXL Vera	3B419309	3B419309	\$20,999.00

Options:

HARNESS	\$0.00	D
HARNESS 5FT	\$75.99	D
HARNESS EXT 10FT	\$26.99	D
HARNESS EXT 10FT	\$26.99	D
HARNESS EXT 10FT	\$26.99	D
HARNESS-CLEAN PWR	\$98.99	D
HARNESS-PWRSTR10F X3	\$122.97	D
FLUID-PWRSTR@6	\$18.99	D
CLEVIS KT-RH DUAL	\$249.99	D
CLEVIS KT-LH DUAL	\$264.99	D
CLEVIS KT-LH DUAL	\$529.98	D
COUPLER-430MM	\$204.99	D

Unit Price	\$62,597.00
Factory Options	\$0.00
Customer Rebate	\$0.00
Added Accessories	\$1,799.84
Freight	\$100.00
Dealer Prep / Rigging Fee	\$1,990.00
Property/Liability Ins.	\$0.00
Service Contract	\$0.00
Property / Liability	\$0.00

Cash Price	\$66,486.84
Trade Allowance	\$0.00
Payoff	\$0.00

Net Trade	\$0.00
Net Sale (Cash Price - Net Trade)	\$66,486.84
Sales Tax	\$5,634.72
Title/License/Registration Fees	\$0.00
Document or Administration Fees	\$0.00
Credit Life Insurance	\$0.00
Accident & Disability	\$0.00

Total Other Charges	\$5,634.72
Sub Total (Net Sale + Other Charges)	\$72,121.56
Cash Down Payment	\$0.00
Amount to Pay/Finance	\$72,121.56

Notes:

PO# FY23-00487
8/31/2023

Trade Information

Monthly Payment of \$72,121.55 For 1 Months at 0.00% Interest

NOTICE TO BUYER: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled in copy of this agreement. (3) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement.

TRADE-IN NOTICE: Customer represents that all trade in units described above are free of all liens and encumbrances except as noted.

*With Approved Credit. Interest rates and monthly payment are approximate and may vary from those determined by the lender.

Customer Signature _____ Dealer Signature Jaz

Thank You for Your Business!