



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 24-049

Meeting Date: 2/20/2024

TITLE:

APPROVE INCREASES IN PURCHASING AUTHORITY TO AGREEMENTS FOR VEHICLE PARTS AND SERVICES

DEPARTMENT: PUBLIC WORKS DEPARTMENT/MAINTENANCE SERVICES DIVISION

PRESENTED BY: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR

CONTACT INFORMATION: ROBERT RYAN, MAINTENANCE SERVICES MANAGER (714)
754-5123

RECOMMENDATION:

Staff recommends the City Council:

Approve and authorize the City Manager to execute change orders that would authorize an increase in purchase authority of up to \$175,000 to each of the following purchase orders for services and vehicle parts for the remainder of the current fiscal year and annually thereafter:

- Ford Motor Company
- NAPA Auto Parts
- South Coast Emergency Vehicle Services
- Southern California Fleet Services

BACKGROUND:

In order to maintain and repair over 300 pieces of equipment, vehicles and emergency response apparatus, the Equipment Maintenance section of the Public Works Department has purchase orders for services and vehicle parts with the above referenced vendors. Each of the above agreements was executed through a formal bidding process and cooperative agreements that met all requirements set forth in the City of Costa Mesa Municipal Code, Section 2-164(c) and Section 2-165 (5) and all requirements set forth by the State of California.

The following are current authorization limits for the above vendor contracts:

- Ford Motor Company - Cooperative Agreement with a \$100,000 threshold;
- NAPA Auto Parts - Cooperative Agreement with a \$100,000 threshold;
- South Coast Emergency Vehicle Services - Sole Source with a \$100,000 threshold;

- Southern California Fleet Services - Competitively bid with a \$100,000 threshold.

ANALYSIS:

The Equipment Maintenance section has seen a significant increase in the cost of services, automotive and truck parts. The cost of parts has increased by an average of 15% over the past year. This increase is due to a number of factors, including the rising cost of raw materials, increased demand for parts, supply chain disruptions, freight costs and economic factors.

In addition to the increase in the cost of parts, the City's inventory of equipment and vehicles is ageing with many units in service being past their recommended service life. Reduced production, increased demand and supply chain issues have made the procurement of new government vehicles difficult resulting in the need to keep these vehicles in frontline service to meet the needs of the City. These aging vehicles require more frequent attention, parts, and repairs.

The current purchase limits are already being met this fiscal year due to the above factors. In order to continue to maintain vehicles and ensure the supply of parts, staff requests increases in purchasing authority above the current City Manager threshold. Increasing the purchase orders to \$175,000 will provide the required funding to accommodate City's equipment maintenance needs.

ALTERNATIVES:

An alternative to the recommended City Council action would be to not approve the increase in contract authority to the above referenced purchase orders. However, this alternative is not recommended as it would severely impact public safety and daily City operations.

FISCAL REVIEW:

Staff has identified sufficient funding in the FY 2023-24 Public Works Department operating budget to accommodate increases for the current fiscal year. Additional funding up to the approved limit will be included in future fiscal year budgets.

LEGAL REVIEW:

The City Attorney's Office has reviewed this agenda report and approves it as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goal:

- Strengthen the Public's Safety and Improve the Quality of Life.

CONCLUSION:

Staff recommends the City Council:

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