



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 24-297

Meeting Date: 8/6/2024

TITLE:

AUTHORIZE THE PURCHASE OF FORD FLEET VEHICLES

DEPARTMENT: PUBLIC WORKS DEPARTMENT, MAINTENANCE SERVICES
DIVISION

PRESENTED BY: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR

CONTACT INFORMATION: ROBERT RYAN, MAINTENANCE SERVICES MANAGER (714)
327-7499

RECOMMENDATION:

Staff recommends the City Council:

1. Authorize by minute action, that compliance with the bidding requirements and procedures is inefficient and not in the best interest of the city, based on identified conditions and supported by substantial evidence.
2. Authorize the purchase of Ford fleet vehicles from local authorized Ford dealerships.
3. Authorize the City Manager or designee to execute the necessary documents for the purchase of new and replacement Ford fleet vehicles as approved in Fiscal Year 2024-2025, and as approved during the annual budget.

BACKGROUND:

Consistent with past practices, new and/or replacement vehicle and equipment requests are evaluated during the annual budget process along with Equipment Maintenance staff recommendations.

The vehicles and equipment identified have high mileage and usage, are in poor condition, and have severe mechanical issues. Other factors for replacement consideration include obsolete parts, availability and high maintenance and repair costs. All the vehicles and equipment approved for replacement have exceeded their anticipated service lives.

Typically, vehicles and equipment are purchased using contracts through Sourcewell. Utilizing a Sourcewell contract meets all requirements outlined in the City of Costa Mesa's Purchasing Policy and all requirements set forth by the State of California in regard to regional cooperative purchasing agreements. This process has been utilized successfully by the City for several previous vehicle purchases. However, over the last several years, the availability of vehicles has been severely limited

and manufacturers have not been allocating sufficient inventory for government procurement through Sourcewell.

At their regularly scheduled meeting on June 20, 2023, Council authorized by minute action, that compliance with the bidding requirements and procedures was inefficient and not in the best interest of the city, based on identified conditions and supported by substantial evidence as shared above. The Council authorized the purchase of Ford fleet vehicles directly from local authorized Ford dealerships. Since that authorization was granted, staff was able to work with local Ford dealerships to procure eighteen (18) new and replacement vehicles authorized for purchase in Fiscal Year 2022-2023 and thirty (30) new and replacement vehicles, including eight (8) Police Interceptors, authorized for purchase in Fiscal Year 2023-2024. This process has reduced staff time dedicated to sourcing replacement vehicles and increased efficiency in the purchasing process overall. All of the local Ford dealerships that the City has worked with offer a government liaison, as well as government incentives and pricing, passed on from the manufacturer.

ANALYSIS:

The purchase of new and replacement vehicles is necessary in order to upgrade the City's fleet of operable vehicles to serve the community and its stakeholders. The necessity of these purchases is exemplified by the continual breakdowns and repairs of the aging fleet of vehicles. The purchases will also provide vehicles to newly added staff that serve the community.

Traditional procurement avenues have been exhausted with no results. Staff have been able to procure vehicles effectively, efficiently and at government pricing by working directly with local Ford dealerships. Approving the recommendation would allow staff to continue to negotiate directly with one or more local authorized Ford dealership(s) to continue to procure the vehicles necessary to ensure maintenance and safety operations as well as other City functions.

ALTERNATIVES:

The City Council could choose not to authorize the direct purchase of vehicles from local authorized Ford dealerships. This is not recommended as it would result in further delays in the procurement of approved vehicles and equipment. These delays could potentially result in safety issues, as well as maintenance units not being in service promptly, causing staff to be operating unreliable vehicles.

FISCAL REVIEW:

Funding for the replacement of City vehicles and equipment is approved each fiscal year by City Council during budget adoption and is available in the adopted FY 2024-25 operating budget in the Equipment Replacement Fund (Fund 601).

LEGAL REVIEW:

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

CITY COUNCIL GOALS AND PRIORITIES:

This item works toward achieving the following City Council goals:

- Strengthen the public's safety and improve quality of life.
- Advance environmental sustainability and climate resiliency.

CONCLUSION:

Staff recommends the City Council:

1. Authorize by minute action, that compliance with the bidding requirements and procedures is inefficient and not in the best interest of the city, based on identified conditions and supported by substantial evidence.
2. Authorize the purchase of Ford fleet vehicles from local authorized Ford dealerships.
3. Authorize the City Manager or designee to execute the necessary documents for the purchase of new and replacement Ford fleet vehicles as approved in Fiscal Year 2024-2025, and in the next four annual budgets concluding in Fiscal Year 2028-2029.