



CITY COUNCIL STAFF REPORT



August 23, 2022

ITEM TITLE

Purchase Award and Appropriation: Waive the Competitive Bid Process, Approve the Purchase of Ford Maverick XL Vehicles from Penske Ford La Mesa, and Appropriate Funds for that Purpose

Report Number: 22-0240

Location: No specific geographic location

Department: Public Works

Environmental Notice: The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Recommended Action

Adopt a resolution waiving the competitive bid process, authorizing the purchase of 12 Ford Maverick vehicles from Penske Ford La Mesa, and appropriating funds in the amount of \$375,000 for that purpose.

(4/5 Vote Required)

SUMMARY

Due to ongoing supply chain issues, staff has experienced delays in procuring new vehicles. Fleet staff recently received a quote to purchase 12 Ford Mavericks from Penske Ford La Mesa for a total cost of \$314,976. Staff recommends that City Council waive the competitive bid process and approve the purchase of these vehicles. Funding for this purchase is available from the Vehicle Replacement Fund, a total appropriation of \$375,000 for the vehicle purchase and related outfitting costs is also recommended.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because it will not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

Due to continued supply chain issues, new vehicle purchases have been impacted negatively. Fleet staff has been working with Purchasing staff to identify purchasing options that allows the City to procure new vehicles in a timely manner in order to meet program needs and minimize the impact to service delivery.

Fleet staff recently received a proposal to purchase 12 Ford Mavericks from Penske Ford La Mesa. Penske Ford is expecting delivery of at least twelve (12) new 2022 Ford Maverick XL vehicles that meet the City's specifications. The total cost of the 12 vehicles from Penske Ford is \$314,976. These vehicles will replace vehicles in the Park Ranger program (Community Services) and Right of Way/Graffiti program (Public Works). These two programs are currently assigned vehicles that have reached the end of their service life.

Purchasing the vehicles from Penske Ford will allow the City to replace these 12 vehicles and minimize service interruptions in these programs due to vehicles being out of service. The total cost for the proposed purchase of the Ford Mavericks from Penske Ford La Mesa would be \$314,976. Staff has reviewed other dealership inventories and has not been able to locate this number of Mavericks from a different dealership. While a purchase from Penske Ford La Mesa may be more costly, the City will receive the vehicles faster, which is important as the above program vehicles have reached the end of their service life. Due to the ongoing supply chain shortages and the time delays associated with direct fleet orders, staff recommends moving forward with the purchase of these vehicles from Penske Ford La Mesa to avoid manufacturing delays associated with alternate purchase options.

Per the Chula Vista Municipal Code (CVMC), purchases over \$100,000 shall be awarded to the lowest responsive and responsible bidder following a competitive bid process. However, CVMC section 2.56.070.B.3 allows the City Council to waive the competitive bid requirements if they are impractical, impossible, or that City interests would be materially better served by applying a different purchasing procedure approved by the Purchasing Agent as being consistent with good purchasing practices. Going through a competitive bid process or a direct fleet order would result in a long lead time. Due to supply chain issue, vehicles can take up to a year after ordering to arrive. Vehicles in the Park Ranger Program and Right-of-Way / Graffiti programs have reached the end of their useful life. Purchasing the vehicles from Penske Ford La Mesa would provide the City with the needed vehicles within the next two months. In addition, this would immediately improve safety and reliability of the vehicle as well as decrease maintenance costs. Therefore, staff recommends that City Council waive the competitive bid process as impractical and make the determination that the City interests for the timely replacement of vehicles that have reached the end of their useful service life would be materially better served with the approval of the purchase of 12 Ford Mavericks from Penske Ford La Mesa.

Funding for these vehicles is available in the Vehicle Replacement Fund. In addition to the purchase cost of the vehicles there are also associated outfitting costs. Staff, therefore, recommends a total appropriation of \$375,000 from the available fund balance of the Vehicle Replacement Fund.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware and has not been informed by any City Council member of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

The \$375,000 cost of the 12 vehicles and associated outfitting costs will be funded through available fund balance in the Vehicle Equipment Replacement Fund. Approval of this resolution has no net fiscal impact to the General Fund.

ONGOING FISCAL IMPACT

The ongoing fiscal impact associated with this purchase is for regular Fleet Maintenance Charges. These costs will be budgeted in the Community Services and Public Works departments and will be considered as part of the annual budget development process.

ATTACHMENTS

None

Staff Contact: Angelica Aguilar, Assistant Director of Public Works; Alicia Granados, Senior Management Analyst Public Works