



**Beaumont-Cherry Valley Water District
Regular Board Meeting
November 9, 2022**

Amended
Item 8

STAFF REPORT

TO: Board of Directors
FROM: Dan Jagers, General Manager
**SUBJECT: Approval of Purchase of Two (2) Ford F-450 (or Equivalent) Crew Trucks
in an Amount Not to Exceed \$170,000.00**

Staff Recommendation

Consider approval of an amount not to exceed \$170,000.00 and authorize the General Manager to purchase two Ford F-450 (or equivalent) crew trucks as listed in the 2022 Capital Improvement Budget from a sole-source vendor to be identified in an amount not to exceed \$170,000.00, including emergency lights and contingencies.

Background

At the Special Meeting of December 21, 2021, the Board of Directors approved the 2022 Capital Improvement Budget (CIB), which provides a schedule of replacement and funding source for the replacement of various District fleet vehicles and heavy equipment necessary to provide efficient delivery of services to the community. The requested trucks are identified in the 2022 CIB as necessary replacements and identified as Capital Improvement Projects (CIP) Number VE-TRUK-0014 and VE-TRUK-0018 with a total budgeted cost of \$120,000 for the replacement of two (2) vehicles. This staff report presents a replacement cost for consideration that is higher than the budgeted amounts. Staff identifies that due to vehicle acquisition issues stemming from the current economic climate and historic inflation rates, the vehicle purchase consideration is above the amount budgeted in the 2022 CIB.

The District's Policies and Procedures Manual, Part III, Section 17 I – Purchasing (as adopted by the Board on December 13, 2017) reads:

Vehicles. *Vehicles may be purchased in accordance with Table 1, in conjunction with the District's Capital Improvement Plan approved by the Board of Directors. Preference will be given to use of the State of California Vehicle Procurement Program, but at the discretion of the General Manager, vehicles may be obtained from an alternative local source if the cost difference does not exceed \$1,500. Consideration may also be given to delivery schedules and availability of inventory.*

and:

Sole Source. *The General Manager has the final responsibility for determining whether a sole source requisition meets the requirements of this policy. Instances when sole source purchasing may be applicable include the following:*



- i. *Property or services can be obtained only from a specific vendor (i.e. materials or equipment; one-of-a-kind items, etc.)*
- ii. *Competitive sourcing is precluded because of the existence of patents, copyrights, and special processes, control of raw materials by vendors or similar circumstances*

Staff identifies that this requisition meets the spirit of the policy definitions set forth above and recommends that the Board consider staff's recommendation to authorize the General Manager to pursue a sole source purchase for said vehicles.

Staff identifies that fleet sales personnel have communicated a narrow factory ordering window for government priced fleet vehicles from the Ford Motor Company (Ford). In early September 2022, Ford released an anticipated factory build schedule for the State and Local Government ordering bank which identified pricing availability starting October 20, 2022, and the ordering window for all 2023 models at government pricing between November 7, 2022, and November 10, 2022, (3-day ordering opportunity) identified in Attachment 1 hereafter.

On October 24, 2022, Ford released a revision to the original communication regarding the previous 2023 government order bank schedule and extended the ordering opportunity for 30 days which is set to begin on November 14, 2022 as further identified in the email excerpt below.

Email Excerpt 1

From: Vikiy Garay <vgaray@frittsford.com>
Sent: Monday, October 24, 2022 10:26 AM
To: Bean, James (BCVWD) <james.bean@bcvwd.org>
Subject: Re: 2023 F-450

James,

Ford changed the rules again! I won't have pricing until the 27th and the government order bank is scheduled to open the week of Nov 14th and will open for 30 days (not 3).

when I get the pricing, I will get it over to you.

Vikiy

At the time of this staff report, the District has received one (1) quote for 2023 government order bank, Ford factory build, and anticipates receiving several additional requested quotes from vendors. Due to the narrow ordering window of only 30 days and uncertainty in supply chain issues, Staff is recommending that the Board approve expenditure of funds as described as necessary to secure two (2) F-450 (or equivalent) crew trucks from a sole source vendor should additional quotes for the same not be received in the time necessary to meet the identified ordering window. Staff has also solicited quotes for factory builds at government pricing from Chevrolet and Dodge Motor Companies for consideration, and anticipates moving forward with a purchase from the vendor whom provides the lowest responsive quote for the vehicles identified herein. A summary of the received quote and CIP Budget amount are identified in Table 1 hereafter.



Table 1
CIP Budget Amount and Summary of Quotes

CIP ID	CIP Description	CIP Budget Amount	Proposed Replacement Crew Truck	Summary of Quoted Amount (1)
VE-TRUK-0014	2011 Ford F-350 (Jan, 2011) Unit #17 (Appropriately Sized F-450)	\$60,000	Ford F-450	\$74,366.35
VE-TRUK-0018	2012 Ford F-350 Super Duty Unit #4 (Appropriately Sized F-450)	\$60,000	Ford F-450	\$74,366.35
Subtotal Rounded				\$150,000.00
10% Contingency (\$7,500 each):				\$15,000.00
Estimate for Emergency Lights (\$2,500 installed/each):				\$5,000.00
Total Not-to-Exceed Amount for Two (2) Trucks (Rounded):				\$170,000.00

(1) Fritts Ford Riverside, 2023 government order bank quote

Summary

Staff requests approval to expend funds necessary to secure two (2) F-450 (or equivalent) crew trucks from the vendor with the lowest responsive quote or alternatively from a sole source vendor should additional quotes be delayed beyond the Ford government order bank opportunity identified in this staff report. Staff further identifies that upon placing order for said vehicles from the Ford Motor Company, delivery of said vehicles will be expected late 2023.

The current market for fleet vehicles continues to be challenging and vehicles that meet the Districts criteria are often overpriced, when available at all. Staff is recommending approval to order two (2) F-450 crew trucks at the 2023 Ford government build price from a sole source vendor should additional quotes be delayed. Staff also requests that the Board approve staff to purchase equivalent crew trucks from either Chevrolet or Dodge Motor Company should pricing be favorable and said vehicles become available before the Ford government order bank for 2023 vehicles closes and staff would update the Board at a future meeting.



The budgeted amount identified in the CIP for said acquisition is \$60,000 each for two (2) crew trucks or a \$120,000 total. Staff anticipates a cost with a 10% contingency and emergency light installation to be in an amount not-to-exceed \$170,000. Based upon recent pricing received from Ford Motor Company. This includes the necessary sales tax, tire fees and title.

Fiscal Impact

The fiscal impact to the District will be an amount not to exceed \$170,000.00. Funds are available for this purchase from the District's Capital Replacement Reserves.

Attachment

September Ford Motor Company Schedule for 2023 Government Order Bank

Staff Report prepared by James Bean, Director of Operations



Dear Valued Government Partner:

I'd like to thank you for your support through the years as we have worked together to provide for the vehicle needs of our communities.

We want to make you aware of some key dates for government customers for the 2023 All-New Ford Super Duty. The vehicle is being redesigned to do the tough work in your local communities. (Dates subject to change)

- Pricing and Order Guides-October 20, 2022
- State and Local Government Order Bank Open Date-November 7, 2022
- State and Local Government Order Bank Close Date-November 10, 2022
- Scheduling begins
 - Kentucky Truck Plant-November 17, 2022
 - Ohio Assembly Plant-December 15, 2022
- Job 1(First Day of Production)
 - Kentucky Truck Plant-January 3, 2023
 - Ohio Assembly Plant-February 13, 2023

We are also asking our dealers to follow an order verification process. They will have 30 days to complete this process.

These past few years have presented an extremely challenging environment for the global automotive industry. This unprecedented combination of events has contributed to logistical challenges and unpredictable manufacturing plant downtime. Thanks for patience as we work through these challenges.

Thank you for your continued support. Feel free to contact me with any questions

Sincerely,

Richard Keithley

Regional Government Sales Manager, AK, CA, ID, NV, OR, WA,

rkeithle@ford (916) 705-5350