



CITY OF MENIFEE

SUBJECT: Ford Passenger Van Purchase for Community Services Department

MEETING DATE: October 5, 2022

TO: Mayor and City Council

PREPARED BY: Kristen Jensen, Financial Analyst

REVIEWED BY: Nick Fidler, Public Works Director

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Approve the purchase of one 2023 Ford Transit 12 passenger van from National Fleet Auto Group under a cooperative purchasing (piggyback) agreement as permitted under the Meniffee Municipal Code Section 3.12.070 (6) with Sourcewell master vehicle contract no. 0915521-NAF; and
2. Authorize the City Manager to issue a change order to an existing Purchase Order (PO) in the amount of \$12,666 to cover the full purchase price of the vehicle; and
3. Adopt a budget adjustment resolution authorizing a budget appropriation in the amount of \$12,666 to fiscal year 2022/2023 budget from Account No. 524-4550-53155.

DISCUSSION

As part of the fiscal year 2021/2022 budget cycle, the City Council approved a budget in the amount of \$44,268 for the purchase of a new 12-passenger van to support the activities of the Community Services Department (CSD). The vehicle currently used by the CSD is over 13 years old and shows heavy wear and tear. The passenger van is used by CSD recreation and special event staff for a variety of programs ranging from senior meal deliveries, youth and senior day trips, and the set-up and clean-up of City special events. By purchasing a new passenger van, the CSD would be able to convert and re-purpose the existing vehicle to a cargo van that could continue to support the transport of special event equipment and supplies.

In July 2021, the City issued a purchase order to National Fleet Auto Group for the purchase of a new 2022 model year Ford 12-passenger transit van. The vehicle's purchase and delivery timing were subject to the ordering and manufacturing timelines established by Ford at the time of the

order. As result of the pandemic, many vehicles intended to be manufactured in 2022 were delayed due to lack of critical components and limited production quantities, ultimately causing many requests for vehicle orders to be cancelled. Agencies who had ordered vehicles were faced with a decision to forego purchases altogether or accept additional charges/surcharges tied to the cost of production of newer model year vehicles.

The production of the 2022 model year 12-passenger van ordered for CSD was affected by the manufacturing delays described above. In an effort to retain the order placement for the CSD vehicle purchase in the manufacturers order bank, staff requested an updated quote for a 2023 model year vehicle. The attached quote details the current pricing of \$56,934 for a 2023 Ford Transit 12-passenger van, resulting in an increase of \$12,666 from the original 2022 model year pricing.

At this time, a change order is required to reflect the updated purchase price of the vehicle and conversion of the original unit in the quote from a 2022 model to a 2023. It is important to note that the lingering impacts of the pandemic on the automotive industry, and the additional costs incurred, continue to impact fleet vehicle availability and purchase pricing throughout the country.

Purchasing of the vehicles using the Sourcewell contract no. 0915521-NA, would expedite and result a costs savings by leveraging cooperative purchasing of the community, government agency, educational institute, tribal nation, and nonprofit pricing. Using the Sourcewell contract, the City would also benefit from reduced administrative costs. The purchase is allowed under the Menifee Municipal Code Section 3.12.070 (6).

STRATEGIC PLAN OBJECTIVE

Responsive and Transparent Community Government

FISCAL IMPACT

The additional fiscal impact for this item is \$12,666. Original funding for this purchase in the amount of \$44,268 would be carried over from fiscal year 2021/2022 under PO No. 03341. A budget appropriation in the amount of \$12,666 from available DIF fund 524 balance is requested for approval and is necessary to support the full purchase price of \$56,934 for the 2023 vehicle.

The future fiscal impact for the van related to upkeep, fuel, and maintenance would be budgeted in future fiscal years budgets in the Fleet Services account nos. 115-4660-52300, 115-4660-52503, and 115-4660-52506.

ATTACHMENTS

1. Quote - Ford Transit 12-Passenger Van
2. Budget Amendment Resolution - CSD Van