

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: ZAC BRAND, FLEET SUPERINTENDENT  
TRANSPORTATION AND PUBLIC WORKS  
BRANDALYN TRAMEL, PURCHASING AGENT  
FINANCE DEPARTMENT  
AUTHOR: TRACY VERA, BUYER  
FINANCE DEPARTMENT  
SUBJECT: RATIFICATION OF PURCHASE ORDER 168451 FOR TEN FORD  
MACH-E BATTERY ELECTRIC VEHICLES TO 72 HOUR LLC,  
DBA NATIONAL AUTO FLEET GROUP, WATSONVILLE, CA  
UNDER THE SOURCEWELL COOPERATIVE CONTRACT  
NUMBER 091521-NAF (CEQA EXEMPT)

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Transportation and Public Works and Finance Departments that the Council, by resolution, ratify Purchase Order 168451 for the purchase of ten (10) 2023 Ford Mach-E Battery Electric Vehicles to 72 Hour LLC, dba National Auto Fleet Group, Watsonville, California for a total amount not to exceed \$544,688.40, as replacement vehicles for existing petroleum-fueled vehicles; however, they may be replacements for one or two existing battery electric vehicles.

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EXECUTIVE SUMMARY

Purchasing received a Purchase Requisition from Transportation and Public Works (TPW) for issuance of a Purchase Order with City Terms and Conditions to procure 10 battery electric Mid-Size SUVs utilizing the pricing from Sourcewell Cooperative contract 091521-NAF. National Fleet Auto Group made a limited amount of these vehicles available to Sourcewell Cooperative members on a first come, first serve basis. In order to act quickly and avoid missing the chance to secure the limited number of vehicles, Purchasing issued Purchase Order 168451 to secure 10 units. Staff is requesting that Council ratify the issuance of that Purchase Order 168451.

## BACKGROUND

Under the City's guidelines for the replacement of fleet vehicles, the TPW Fleet Maintenance Division selects a vehicle for replacement when it has reached the end of its cost-effective life cycle. These vehicles have met the replacement criteria using a 15-point replacement program, an industry standard to predict when best to sell a vehicle. Repair costs, age, and mileage are considered in the point calculation performed by our Faster Fleet software system.

The City of Santa Rosa is transitioning replacement vehicles to a battery electric powertrain to support the reduction of GHG emissions as directed by the City of Santa Rosa Climate Action Plan and the State of California's Executive Order N-79-20. EPA estimates that every petroleum-fueled passenger vehicle replaced by a battery electric vehicle (BEV) eliminates 4.6 metric tons of carbon dioxide emissions yearly.

The City of Santa Rosa is member ID 79480 of the Sourcewell Cooperative. National Auto Fleet Group holds Sourcewell Contract 091521-NAF to provide a variety of vehicles and equipment to Sourcewell members.

Transportation and Public Works Fleet Division was notified that National Auto Fleet Group had secured an allocation for thirty-six (36) 2023 Ford Mach E BEV and was making those vehicle orders available to Sourcewell members on a first-come, first-serve basis. Ford Motor Company stopped accepting orders for this vehicle platform on October 21, 2022.

This vehicle platform has applicability across several departments, including Santa Rosa Water, Transportation and Public Works, Recreation, Housing and Community Services, Planning and Economic Development, and Finance Departments, providing five-passenger capability, a 240-mile range, and a covered cargo area. Fleet Division has identified thirty-two current petroleum-fueled vehicles that could be replaced with a BEV.

Pricing provided by National Auto Fleet Group is 2.92% over MSRP, which is competitive in a market where electric vehicles are selling over MSRP and are difficult at best to even obtain.

## PRIOR CITY COUNCIL REVIEW

Not applicable.

### ANALYSIS

Manufacturers are producing limited quantities of vehicles, restricting fleet purchasing opportunities across their product lines, and occasionally canceling existing orders due to manufacturing limits.

Issuance of a PO allowed the City to be in line for these vehicles due to the first come first serve allocation process issued by Ford but does not commit the City to purchase the vehicles if the purchase order is not approved by Council. Under Section 11 Termination for Convenience of the City's PO Terms and Conditions, the City may cancel the request by giving a 10-day notice to the Seller. Ford has accepted our order and it is pending manufacturing within their queue.

### FISCAL IMPACT

Funds for this operational expense have been allocated in the FY 2022-23 budget under the TPW Key 300106-5584. All expenses to this key are distributed to End User Departments approved Object Code 5336 budget through the Fleet billing process. There is no direct fiscal impact to the General Fund.

### ENVIRONMENTAL IMPACT

This action is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and no further environmental review is required.

### BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable

### NOTIFICATION

Not applicable

### ATTACHMENTS

- Resolution

### PRESENTER

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