

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: JEREMY GUNDY, DEPUTY DIRECTOR, FIELD SERVICES  
TRANSPORTATION AND PUBLIC WORKS  
SUBJECT: RATIFICATION OF PURCHASE ORDER 170391 FOR 8 FORD  
F-350 TRUCK CAB AND CHASSIS TO 72 HOUR LLC, DBA  
NATIONAL AUTO FLEET GROUP UNDER SOURCEWELL  
COOPERATIVE CONTRACT NUMBER 091521-NAF

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council, by resolution, ratify the issuance of Purchase Order 170391 utilizing cooperative purchasing through Sourcewell Cooperative Contract Number 091521-NAF for the purchase of eight (8) 2023 Ford F-350 Super Duty Cab and Chassis to 72 Hour LLC, dba National Auto Fleet Group, Watsonville, California for a total amount not to exceed \$432,967.73, as replacement vehicles for existing fleet vehicles used in various maintenance departments. No City General Fund money is included in this project.

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EXECUTIVE SUMMARY

Purchasing received a Purchase Requisition from Transportation and Public Works (TPW) for issuance of a Purchase Order (PO) with City Terms and Conditions to procure 8 Class 3 Ford Cab and Chassis utilizing the pricing from Sourcewell Cooperative contract 091521-NAF. 72 Hour LLC, dba National Fleet Auto Group (National Auto Fleet 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 available, Purchasing issued Purchase Order 170391 to secure 8 of these vehicles. Staff is requesting that Council ratify the issuance of that Purchase Order 170391, which was issued on September 28<sup>th</sup>, 2023 in an amount not-to-exceed \$432,967.73 using the City's standard Purchase Order Terms and Conditions.

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

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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.

Availability for this class of vehicle has been limited in production model years 2022 and 2023, reducing purchasing and bid opportunities. The City of Santa Rosa has been unable to successfully obtain required replacement vehicles in this class during this period.

The City of Santa Rosa is member ID 79480 of the Sourcewell Cooperative. National Auto Fleet Group holds Sourcewell Cooperative 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 eleven (11) 2023 Ford F-350 Super Duty Cab and Chassis and was making those vehicle orders available to Sourcewell members on a first-come, first-serve basis. National Fleet Auto Group had eight (8) vehicles still available when Purchasing issued PO 170391.

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 a platform to install a variety of truck bodies applicable to Public Works, Santa Rosa Water, and Recreation and Parks. Fleet Division has identified twenty current vehicles that could be replaced with these Class 3 trucks.

Pricing provided by National Auto Fleet Group is 3.6% under manufacturer's suggested retail price (MSRP), which is competitive in a market where most 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.

On September 28<sup>th</sup>, 2023, the City received notice that 11 vehicles were available from National Auto Fleet through the Sourcewell Cooperative. On September 28<sup>th</sup>, 2023, the City issued a Purchase Order for the 8 remaining vehicles in an amount not-to-exceed \$432,967.73 using the City's standard Purchase Order Terms and Conditions.

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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. National Auto Fleet Group has accepted our order and it is pending manufacturing within their queue. The issued PO includes the City's standard PO terms and conditions and no special provisions that alter the City's standard PO terms and conditions. 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, at which point the City would only be responsible for services performed or goods delivered as of the termination date.

Section 3.08-160 of the City Code allows for cooperative purchasing when advantageous to the City. Staff retains sufficient documentation as to the advantage of the cooperative purchase and this cooperative purchase is advantageous to the City because it offers significant discounts on the vehicles to be purchased using the City's standard PO terms and conditions.

FISCAL IMPACT

Funds for this capital expense have been allocated in the Fiscal Year 2023-2024 budget under the TPW Key 300106-5584. All expenses to this key are distributed to End User Departments approved Object Code 5336 budget as annual costs 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/Exhibit A - Vendor Quote

PRESENTERS

Zac Brand, Fleet Superintendent  
Brandalyn Tramel, Purchasing Agent