



City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: Public Works

Meeting Date: November 13, 2023

Report #:2309-2004

TITLE

Adoption of a Resolution Authorizing the City Manager to Negotiate and Execute Purchase Orders with a To-Be Determined Vendor(s) to Procure Thirteen (13) New Fully Electric Sedans And Five (5) New Fully Electric Vans for a One Time Purchase for a Total Not-To-Exceed Amount of \$985,000. CEQA Status - exempt under CEQA Guidelines Section 15061.

RECOMMENDATION

Staff recommends that Council adopt a resolution to authorize the City Manager or their designee to:

1. Negotiate and execute a purchase order(s) with a to-be-determined vendor(s) in an amount not to exceed \$585,000 for the purchase of 13 new fully electric sedans; and
2. Negotiate and execute a purchase order(s) in an amount not to exceed \$400,000 with a to-be-determined vendor(s) for the purchase of 5 new fully electric vans.

BACKGROUND

The Vehicle and Equipment Use, Maintenance, and Replacement policy section 4-01 provides for the on-going replacement of City fleet vehicles and equipment. Replacements are scheduled using guidelines based on age, mileage accumulation, and obsolescence. Policy 4-01 prescribes a replacement interval of 10 years/100,000 miles for compact sedans and vans.

Over the last several years, the City has experienced lack of availability, increased pricing, and minimal ordering windows due to supply chain constraints in the auto industry that have impeded efforts to replace vehicles in a timely manner. Ordering windows have often closed faster than staff is able to bring a purchase order to Council for approval. This report recommends that Council adopt a resolution (Attachment A) delegating the final purchase approval of 18 vehicles included in the Fiscal Year 2024 replacement plan to the City Manager, as provided for in Palo Alto Municipal Code (PAMC) sections 2.30.250 and 2.30.295 (b), in the interest of efficient and expedited purchases that align with the goals and objectives of the Council and City policy.

For Fiscal Year 2024, Council approved an all-electric vehicle replacement program, with the exception of Police pursuit-rated vehicles. With the purchase of these replacement vehicles, the City's electric vehicle fleet will increase from 14 to 32 vehicles.

ANALYSIS

Project Description

The City's fleet includes 13 Compressed Natural Gas (CNG) Honda Civics that meet or exceed the City's replacement criteria and that are programmed for replacement in Fiscal Year 2024. The vehicles are assigned to multiple divisions, with eight of these vehicles designated as shared use vehicles for the Community Services, Public Works, and Fire Departments. Two vehicles are assigned to the Planning and Development Services Department for code enforcement and building inspections, and three are assigned to the Fire Department for fire inspections.

The fleet includes five (5) Ford E-350 cargo vans that meet or exceed the City's replacement criteria and that are programmed for replacement in Fiscal Year 2024. Two have CNG engines and three have gasoline engines. Two vehicles are assigned to the Public Works Department and three are assigned to the Utilities Department.

Procurement Process

Staff plans to follow the City's procurement regulations as outlined in the PAMC. Processes authorized may utilize a cooperative purchasing agreement, such as Sourcewell, in lieu of conducting competitive solicitations, allowed under PAMC section 2.30.360 (j), and/or may include formal solicitations as would otherwise be required by PAMC section 2.30.310 (b). A solicitation was conducted for the purchase of thirteen (13) 2023 Chevrolet Bolt EUV vehicles. A single bid received was for an amount below the \$585,000 authority staff is requesting and staff is following the process to develop a purchase order for the vehicles. However, staff has not conducted a solicitation for the purchase of five (5) fully electric vans and the procurement method for the vans has not yet been determined. The open period window is often short so this delegation to the City Manager allows staff to move quickly with the dealer to secure the vehicles whether through bidding or a cooperative purchasing agreement process.

FISCAL/RESOURCE IMPACT

Funding was approved for the purchase of these 18 vehicles in the Vehicle Replacement Fund Scheduled Vehicle and Equipment Replacement – Fiscal Year 2024 project (VR-24000). \$45,000 was budgeted for the replacement of each Honda Civic, and \$80,000 was budgeted for the replacement of each Ford van, for a total budgeted amount of \$985,000.

STAKEHOLDER ENGAGEMENT

Requests for vehicle replacements are presented to the Fleet Review Committee (FRC) for approval during the development of the proposed budget and any deviation from these plans is

also reviewed by the Committee. The FRC is comprised of executive leadership representatives from the Public Works and Administrative Services Departments and the City Manager's Office. Additionally, Fleet staff review proposed vehicle replacements with the departments using the vehicles.

ENVIRONMENTAL REVIEW

Vehicle purchases are exempt from the California Environmental Quality Act under CEQA guidelines (Section 15061).

ATTACHMENTS

Attachment A: Resolution for City Manager to Procure Electric Vehicles

APPROVED BY:

Brad Eggleston, Director Public Works/City Engineer