



City Council Report

Date: January 24, 2022
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Kristy Garcia, Procurement Administrator
Subject: Dollar Limit Increase to the Term Contract for Automobile Dealers Eligibility List for Citywide Departments as requested by the Fleet Services Department **(Citywide)**

Recommendation

Council is requested to approve the contract amendment as recommended.

The Fleet Services Department and Purchasing recommend increasing the dollar limit with Courtesy Auto of Mesa, LLC dba Courtesy Chrysler Dodge Jeep Ram of Superstition Springs (a Mesa business); Courtesy Chevrolet; Findlay Automotive dba Findlay Auto; Larry H Miller Ford (a Mesa business); Midway Chevrolet Company, LLC dba Midway Chevrolet; PFVT Motors, LLC dba Peoria Ford; and San Tan Auto Partners, LLC dba San Tan Ford; by \$5,700,000 for Years 3 and 4, from \$3,700,000 to \$9,400,000, based on estimated requirements, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

This contract provides a non-exclusive, pre-approved list of full-service auto dealers to provide the City price quotes on the purchase, delivery, warranties, and full-service maintenance (if needed) of new vehicles on an as-needed basis. Fleet Services and Mesa Fire and Medical Departments typically purchase new and replacement light-duty ½ ton, ¾ ton, 1-ton trucks, sedans, SUV's, minivans, and Police Patrol vehicles.

This automotive dealer eligibility list became effective in November 2019 and changed the City's procurement process for vehicle purchases. The City no longer issues bid and proposal solicitations for the City's vehicle purchases throughout the year. The automotive dealer eligibility list has improved and expedited the City's vehicle purchases by obtaining quotes on an as needed basis from the pre-approved vendors.

Fleet Services is requesting an increase of \$5,700,000 to expand over Fiscal Years 21/22 and 22/23 due to the approved Police Sustainability Plan:

1. Replacement of 30 Police vehicles per Fiscal Year
2. Due to the current long lead time, the City is placing two years' worth of vehicles on order in FY 21/22.

The City will purchase 60 Police vehicles in FY 21/22 and 30 Police vehicles in FY 22/23. The approximate cost of 90 Police vehicles is \$5,000,000.

This contract is based on estimated usage and with the increase of vehicle costs each year. Staff estimates an additional \$700,000 is needed to cover the remaining non-PD vehicles that will be ordered for additions and replacements.

To align with the City's Mesa Climate Action Plan of the 60 Police vehicles being ordered in FY 21/22, 10 will be electric trucks, and 25 will hybrid vans/trucks. The remaining 25 will be patrol vehicles. In FY 21/22 Fleet Services has also made a commitment to purchase 10 electric trucks for non-PD City Departments. In FY 22/23 Fleet Services is projecting to purchase 35 hybrid/electric vehicles for non-PD City Departments as additions and replacements.

Purchase Information

Action: Amendment

Procurement Type: Request for Proposals

Contract Number: 2019195

Initial Contract Term: Three years

Possible Renewals: Up to a maximum of two years subject to Administrative review and approval

Funding Source: Replacement vehicles funded by the Vehicle Replacement Fund.

Various Funds and Sub Funds dependent on the City Department purchasing the vehicle

Original Council Award Date: 11/4/2019

Dollar Limit History

Original Award Amount:	\$3,700,000
Dollar Limit Increase Request – 1/24/2022:	<u>\$5,700,000</u>
New Contract Value (FY 21/22 through FY 22/23):	<u>\$9,400,000</u>