

CITY COUNCIL ACTION REQUEST

DEPARTMENT(S) Finance	CEQA Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.	COORDINATION City Attorney's Office; City Manager's Budget Office; Department of Public Works	Director Approval /s/ Maria Öberg
COUNCIL DISTRICT(S) Citywide			CMO Approval  8/12/25

SUBJECT: Actions Related to Purchase Orders with Mission Valley Ford Truck Sales, Inc. and Downtown Ford Sales for New All Electric Ford E Transit-350 Cargo Vans

RECOMMENDATION

Adopt a resolution authorizing the City Manager or her designee to:

- (a) Amend purchase orders OP 66696 with Mission Valley Ford Truck Sales Inc. (San José, CA) and OP 66700 with Downtown Ford Sales (Sacramento, CA) to increase the total compensation by \$2,000,000, for a maximum compensation not-to-exceed \$3,430,000 for the period ending May 14, 2026; and
- (b) Exercise up to six one-year options to extend the terms of the purchase orders with the last option, for each purchase order, ending on or about May 14, 2032, subject to the appropriation of funds.

BASIS FOR RECOMMENDATION

The Public Works Department Fleet Management Division is responsible for overseeing the City's vehicle fleet, including cargo vans used by City departments. The City requires new cargo vans to meet ongoing department service needs. Service needs include the transport of City equipment and personnel for ongoing maintenance of City facilities. The Ford E-Transit platform has been identified as a suitable all-electric vehicle to address these transit related needs. Authorizing the City Manager or her designee to take this action will allow the City to purchase new cargo vans to modernize the City's fleet.

In March 2025, a competitive Request for Bids was released by the Finance Department to procure these services. The Request for Bids provisioned for a one-year initial term and six one-year options for the City to extend the term. Two responsive bids were submitted, and no protests were received. Mission Valley Ford Truck Sales, Inc. qualified for the City's local business preference. Staff awarded to Mission Valley Ford Truck Sales, Inc. and Downtown Ford Sales as the responsive and responsible bidders pursuant to the bidding procedures of the San José Municipal Code, Section 4.12.310.B(2). Purchase orders have been executed under the City Manager's authority limit for commodities contracts (\$1,430,000). The initial term of the purchase orders is from May 15, 2025 to May 14, 2026. City Council approval is now required for additional purchases (\$2,000,000). Approval of this recommendation ensures the City continues to receive these essential vehicles with minimal impact to operations.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input associated with this action.

COST AND FUNDING SOURCE

The recommended action relating to this purchase order of \$2,000,000 will be managed by Public Works on behalf of various City departments. Funding sources for purchases will vary and are subject to the appropriation of funds.

FOR QUESTIONS CONTACT: Albie Udom, Deputy Director of Finance - Purchasing and Risk Management, at Albie.Udom@sanjoseca.gov.