


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: PW, CAO, and CMO - Budget Office	Dept. Approval: /s/ Julia H. Cooper
Council District(s): Citywide			CMO Approval:  9/13/22

SUBJECT: PURCHASE ORDERS WITH TOWNE MOTOR COMPANY DBA TOWNE FORD SALES FOR NEW FORD TRUCKS

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to:

- (a) Amend purchase orders PO 82473, PO 82475, and PO 82491 with Towne Motor Company dba Towne Ford Sales (Redwood City, CA) for new Ford trucks with custom bodies to increase the amount of total compensation by \$795,374 for a revised combined amount not-to-exceed \$1,720,682 and to extend the terms from November 23, 2022 to November 23, 2023; and
- (b) Approve a contingency of \$258,000 for any unforeseen changes or modifications to vehicle orders, subject to the appropriation of funds; and
- (c) Execute additional purchase orders for ongoing vehicle purchases through November 23, 2026, subject to the appropriation of funds.

Desired Outcome: Ensure the City has vocational trucks to provide a variety of essential services.

BASIS FOR RECOMMENDATION:

The Fleet Management Division of the Department of Public Works (Fleet) oversees the purchases of vocational trucks for various City departments. Due to ongoing supply chain issues, the City has experienced significant delays in vehicle and component purchases thereby affecting City Fleet availability. In November 2021, vehicle order banks were unexpectedly closed resulting in the cancellation of the City's initial orders. Vehicle order banks are now open for current model year vocational trucks with a limited supply of inventory. Additional funds are needed due to vehicle cost and order quantity increases.

A competitive Request for Bid was facilitated by the Finance Department to procure these products. Two bids were submitted, and no protests were received. The lowest priced, responsive, and responsible bidder did not qualify for the local and small business preference. Staff awarded initial purchase orders totaling \$925,308 for a one-year period beginning November 24, 2021 to Towne Ford Sales pursuant to the bidding procedures of the San José Municipal Code, section 4.12.310.B(1) under the City Manager's authority. Approval of this recommendation will ensure the City has vocational trucks to provide a variety of essential services.

Climate Smart San José: The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

Commission Recommendation/Input: There is no commission recommendation or input associated with this action.

This City Council item is consistent with the City's 2022-2023 Proposed Budget City Service Areas Delivery Framework: "To effectively develop, manage, and safeguard the City's fiscal, physical, technological, and human resources to enable and enhance the delivery of City services and projects."

COST AND FUNDING SOURCE:

Fund #	Appn #	Appn Name	Total Appn	Amt. for Recommendation	2022-2023 Proposed Operating Budget Pg.	Last Budget Action (Date, Ord. No)
465	5216	Prop 42 Street Pavement Maintenance	\$8,407,227	\$471,050	744	06/21/2022 30790
541	0512	NP/Equip-Dept of Transportation	\$7,195,931	\$162,162	744	06/21/2022 30790
446	0512	NP/Equip-Dept of Transportation	\$3,303,461	\$162,162	744	06/21/2022 30790

FOR QUESTIONS CONTACT: Jennifer Cheng, Deputy Director of Finance at
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