
File ID: 2025-01334

7/29/2025

Supplement 5 - Elk Grove Ford New and Replacement Vehicle Purchases [Published for 10-Day Review 07/16/2025]

File ID: 2025-01334

Location: Citywide

Recommendation: Pass a **Motion** authorizing the Interim City Manager or designee to execute Supplement No. 5 to Contract No. 2023-0564 with Elk Grove Ford for the purchase of new and replacement Ford light-duty vehicles increasing the amount of the contract by \$2,100,000 for a revised total contract not-to-exceed amount of \$7,000,000.

Contact: Stacey Chatman, Program Specialist, (916) 808-6711, schatman@cityofsacramento.org;
Alison Kerstetter, Fleet Manager, (916) 808-1163, akerstetter@cityofsacramento.org;
Department of Public Works

Presenter: None

Attachments:

1-Description/Analysis

2-Supplement Contract No. 5

Description/Analysis

Issue Detail: The Department of Public Works, Fleet Management Division, regularly procures vehicles to adhere to annual replacement schedules or to purchase new additional units as requested by Departments and approved by City Budget. When units near the end of their useful lifespan, they are identified and budgeted for replacement after approval by the department and City Council. To streamline the replacement process and operations, the Fleet Management Division has standardized Ford products, facilitating easier repairs and equipment compatibility. Elk Grove Ford was approved by City Council May 23, 2023 to suspend competitive bidding (Motion No. 2023-0127) as Elk Grove Ford was the only vendor at the time that had sufficient inventory which allowed the City to replace units that reached the end of life. They continue to be able to provide in stock units allowing the City to replace more inventory while helping to expedite vehicle delivery, which reduces excessive maintenance costs and high mileage on the units being replaced. Their inventory availability as well as rebate options are the best purchase option for the City. To continue use of this contract, additional contract expenditure authority is needed.

Policy Considerations: The recommendations in this report are in accordance with Sacramento City Code Chapter 3.56 and Sacramento City Council Rules of Procedure, Chapter 7, Section E.2.d, which requires additional posting time for labor agreements and agreements greater than \$1 million. This item was published for 10-Day review on July 16, 2025, in compliance with City Code.

Economic Impacts: None.

Environmental Considerations: California Environmental Quality Act (CEQA): No environmental review is necessary because the recommendations in this report involve the purchase of vehicles and are not considered to be a project in accordance with Section 15378(b)(2) of the California Environmental Quality Act guidelines.

Sustainability: The recommended purchases are consistent with the Fleet Sustainability Policy adopted by City Council on December 12, 2017 (Resolution No. 2017-0478).

Commission/Committee Action: None.

Rationale for Recommendation: The Fleet Management Division has completed thorough research to explore alternatives for procuring replacement vehicles. However, due to challenges such as limited order banks and supply chain disruptions, vehicle availability has declined over the last five years. Current vehicle orders are experiencing prolonged fulfillment times, leading to delays in delivery while in-stock vehicles are immediately available. To mitigate the impact of manufacturing issues, a multi-year contract was awarded to Elk Grove Ford. This contract ensures consistent purchase availability until the challenges surrounding vehicle production subside. Moreover, the contract aligns with the division's objective of standardizing the fleet with Ford products, thereby promoting consistency and efficiency.

Financial Considerations: This supplemental contract for an amount of \$2,100,000, provides a new contract not-to-exceed amount of \$7 million. Potential purchases for this supplemental contract will be made by the Department of Public Works Fiscal Year (FY) 2025/26 operating budget (Fleet Fund, Fund 6501) and charged to the appropriate multi-year operating projects (MYOPs) when procured. Sufficient funding currently exists in the Department's FY2025/26 operating budget and the MYOP projects and is anticipated for FY25/26. No purchases will be authorized unless an available budget exists.

Local Business Enterprise (LBE): Elk Grove Ford is not an LBE. Goods contracts over \$250,000 do not have a minimum LBE requirement.

Background On May 23, 2023, the City received approval to enter contract 2023-0564 with Elk Grove Ford through suspension of competitive bidding. This contract has a not to exceed amount of

\$900,000 for a one-year contract period with four potential one-year extensions. The contract has been supplemented since approval as follows:

Supplemental Contract 1, June 14, 2023, new not-to-exceed amount of \$2,900,000.

Supplemental Contract 2, March 20, 2024 extended through May 15, 2025.

Supplemental Contract 3, May 28, 2024, new not-to-exceed amount of \$4,900,000.

Supplemental Contract 4, June 6, 2025 extended through May 16, 2026.

Proposed Supplemental Contract 5, new not-to-exceed amount of \$7,000,000.

CONTRACT ROUTING SHEET

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, it is NOT part of the contract.

General Information (Required)

Original Contract # (supplements only): 2023-0564 Supplement/Addendum #: 05
Assessor's Parcel Number(s): _____
Contract Effective Date: 05/16/2023 Contract Expiration Date (if applicable): 05/15/2028
\$ Amount (Not to Exceed): \$ 7,000,000.00 Adjusted \$ Amount (+/-): \$ 2,100,000.00
Other Party: Elk Grove Ford
Project Title: New and Replacement Vehicles
Project #: _____ Bid/RFQ/RFP #: _____
City Council Approval: YES if YES, Council File ID#: 2025-01334

Contract Processing Contacts

Department: Public Works Project Manager: Stacey Chatman
Contract Coordinator: Stacey Chatman Email: schatman@cityofsacramento.org

Department Review and Routing

Accounting:

(Signature) (Date)

Supervisor:

(Signature) (Date)

Division Manager:

(Signature) (Date)

Other:

(Signature) (Date)

Special Instruction/Comments (i.e. recording requested, other agency signatures required, etc.)

☐

Recording Requested

☐

Other Party Signature Required

-----FOR CLERK & IT DEPARTMENTS ONLY – DO NOT WRITE BELOW THIS LINE-----

SUPPLEMENTAL CONTRACT

Project Title and Job Number: Elk Grove Ford-New and Replacement Vehicles
Purchase Order #:

Date: 07/22/25
Supplemental Contract No.:05

The City of Sacramento ("City") and ELK GROVE FORD("Contractor"), as parties to that certain Goods and Non-Professional Services Agreement designated as Contract Number 2023-0564, including any and all prior supplemental contracts modifying the contract (the contract and all supplemental contracts are hereafter collectively referred to as the "Contract"), hereby supplement and modify the Contract as follows:

1. The Technical Specifications specified in Exhibit A of the Contract is amended as follows:

Paragraph 3, "Time of Performance", is hereby amended to extend time of performance to May 15, 2027

2. In consideration of the additional and/or revised goods and services described in section 1, above, the maximum not-to-exceed amount that is specified in Exhibit B of the Contract for payment of Contractor's fees and expenses, is **increased** by \$2,100,000.00, and the Contract's maximum not-to-exceed amount is amended as follows:

Agreement's original not-to-exceed amount:	<u>\$900,000.00</u>
Net change by previous supplemental contracts:	\$4,000,000.00
Not-to-exceed amount prior to this supplemental contract:	\$4,900,000.00
Increase by this supplemental contract:	\$2,100,000.00
New not-to exceed amount including all supplemental contracts:	\$7,000,000.00

3. Contractor agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 2, above, shall constitute full compensation for the additional and/or revised goods and services specified in section 1, above, and shall fully compensate Contractor for any and all direct and indirect costs that may be incurred by Contractor in connection with such additional and/or revised goods and services, including costs associated with any changes and/or delays in schedules or in the delivery of other goods and services by Contractor.
4. Contractor warrants and represents that the person or persons executing this supplemental contract on behalf of Contractor has or have been duly authorized by Contractor to sign this supplemental contract and bind Contractor to the terms hereof.
5. Except as specifically revised herein, all terms and conditions of the Contract shall remain in full force and effect, and Contractor shall provide all of the goods and perform all of the services, duties, obligations, and conditions required under the Contract, as supplemented and modified by this supplemental contract.

[SIGNATURES ON FOLLOWING PAGE]

SUPPLEMENTAL CONTRACT

Approval Recommended By:

Project Manager

Approved By:

Rachel Wood

Contractor

Approved By:

Ryan Moore, Assistant City Manager
City of Sacramento

Approved As To Form By:

Paul A. Gale

City Attorney

Attest:

City Clerk