
File ID: 2026-00864

5/5/2026

[Contract Supplement] New and Replacement Vehicle Purchases [Published for 10-Day Review 04/24/2026]

File ID: 2026-00864

Location: Citywide

Recommendation: Pass a **Motion** authorizing the City Manager or designee to execute Supplement No. 6 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 \$3,000,000 for a revised total contract not-to-exceed amount of \$10,000,000 and extending the contract term to May 15, 2028.

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. 6

Description/Analysis

Issue Detail: The Department of Public Works, Fleet Management Division, procures vehicles to meet annual replacement schedules and to fulfill new unit requests approved through the City's budget process. When fleet units reach the end of their useful life, they are identified and budgeted for replacement with department and City Council approval. While we continue to proactively evaluate fleet needs and ensure operational readiness, no funding has been identified and no unit replacements are being initiated at this time.

To streamline operations and reduce maintenance downtime, the Fleet Management Division has standardized the fleet with Ford products due to parts compatibility and ease of repair. On May 23, 2023, City Council suspended competitive bidding (Motion No. 2023-0127) because Elk Grove Ford was the only vendor with sufficient inventory to support timely replacement of end-of-life units. They continue to offer in-stock vehicles, enabling the City to replace aging units more quickly, reduce excessive maintenance costs, and avoid high-mileage wear. Elk Grove Ford also provides

advantageous rebate options and has expanded its reach by partnering with additional dealers within a 100-mile radius, increasing available inventory.

To continue purchasing vehicles under this contract and maintain timely replacement of critical fleet units, additional contract expenditure authority is required.

Policy Considerations: The recommendations in this report are in accordance with Sacramento City Code Section 3.56.090, which states that all contracts involving an expenditure of \$250,000 or more require approval by City Council, and Section 4.04.20, which requires additional posting time for labor agreements and agreements greater than \$1 million. This item was published for 10-Day review 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 support the updated Fleet Sustainability Policy adopted by City Council on December 12, 2017 (Resolution No. 2017-0478) and comply with California Air Resources Board (CARB) regulations. The City will prioritize zero-emission vehicle models as they become available and when they meet operational needs.

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: 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 into Contract 2023-0564 (Council File ID 2023-00519) with Elk Grove Ford through suspension of competitive bidding. The contract was initiated with a not-to-exceed amount of \$900,000 for a one-year term with four optional one-year extensions. Since approval, the contract has been amended as follows:

- Supplemental Contract No. 1 (June 14, 2023 - Council File ID 2023-00848): Increased the not-to-exceed amount to \$2,900,000.
- Supplemental Contract No. 2 (April 3, 2024: Extended the contract term through May 15, 2025.
- Supplemental Contract No. 3 (May 28, 2024 - Council File ID 2024-00903): Increased the not-to-exceed amount to \$4,900,000.
- Supplemental Contract No. 4 (June 6, 2025): Extended the contract term through May 16, 2026.
- Supplemental Contract No. 5 (July 22, 2025 - Council File ID 2025-01334): Increased the not-to-exceed amount to \$7,000,000.

Proposed Supplemental Contract No. 6 would increase the not-to-exceed amount to \$10,000,000 and extend the contract through the remaining term ending May 15, 2028.

Contract Routing Sheet

Payment / Performance Bond Only

General Routing Information

Department: Public Works Department

Contract Coordinator: Julie Baldovino Email: jbaldoينو@cityofsacramento.org

Effective Date: 05/16/2023 Expiration Date: 05/15/2028

Grant/Project Name: _____

Other Party: Elk Grove Ford

Original Not to Exceed Amount: \$ 900,000.00

Assessor's Parcel Number(s): _____

Project Number: _____ Bid/RFQ/RFP#: _____

Supplements/Addendums/Change Orders

Adjusted Amount of this Change (+/-): \$ 3,000,000.00 New Not to Exceed Amount: \$ 10,000,000.00

Change In Scope: No

Original Contract Number: 2023-0564 Supplement Number: 06

Council Approval

Original Meeting Date: 5/23/23 Council File ID: 2023-00519

Supplement Meeting Date: 6/14/23 Council File ID: 2023-00848

Processing Information

- Clerk's Office to Mail for Recording
- Return to Dept for Other Party Signature
- Real Estate
- Return to Dept for Recording
- Construction Related
- Additional Originals Attached – Return to Dept.

Add notes/instructions, including any other contract or council file ID numbers related to this agreement:

5/28/24 - 2024-00903 7/22/25 - 2025-01334 5/5/26 - 2026-00864

Signing Authority - Department Directors up to \$100K; \$100K -\$250K City Manager or Assistant City Manager; \$250K+ Council Approval & Council Appointee or designee.

Department Review and Routing

AB 339 Review Confirmation (if needed) AB 339 Review not needed as this is procurement of goods

Sign _____

Sign _____

Sign _____

Sign _____

Sign _____

CITY OF SACRAMENTO

**CONTRACT AMENDMENT
CHANGE IN SCOPE AND NOT-TO-EXCEED AMOUNT**

The City of Sacramento (“City”) and ELK GROVE FORD (“Contractor”), as parties to that certain contract designated as Contract Number 2023-0564, including any and all prior amendments modifying the contract (the contract and all amendments are hereafter collectively referred to as the “Contract”), hereby amend the Contract as follows:

1. The scope set forth 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, 2028

2. The maximum not-to-exceed amount that is specified in the Contract for payment of Contractor’s fees and expenses is **increased** by **\$3,000,000**, and the Contract’s maximum not-to-exceed amount is amended as follows:

Contract’s original not-to-exceed amount:	\$ 900,000
Net change by previous amendments:	\$ 6,100,000
Not-to-exceed amount prior to this amendment:	\$ 7,000,000
Increase by this amendment:	\$ 3,000,000
New not-to exceed amount including all amendments:	\$10,000,000

3. Contractor agrees that the amount specified in section 2 above shall fully compensate Contractor under the Contract, as modified by this amendment, including any and all direct and indirect costs that may be incurred by Contractor in connection with such additional and/or revised services, and costs associated with any changes and/or delays in schedules or in the delivery of other services by Contractor.
4. Contractor warrants and represents that the person or persons executing this contract amendment on behalf of Contractor is duly authorized by Contractor to sign this amendment 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 perform as required under the Contract, as modified by this amendment.

[SIGNATURES ON FOLLOWING PAGE]

SUPPLEMENTAL CONTRACT

Approval Recommended By:

Project Manager

Approved By:

Rachel Wood
Rachel Wood (Apr 10, 2026 13:22:12 PDT)
Contractor

Approved By:

Ryan Moore, Assistant City Manager
City of Sacramento

Approved As To Form By:

Paul Gale
Paul Gale (Apr 10, 2026 13:35:14 PDT)
City Attorney

Attest:

City Clerk