



Folsom City Council Staff Report

MEETING DATE:	10/24/2023
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11113 – A Resolution Authorizing the City Manager to Execute an Agreement with Folsom Lake Ford for the Purchase of Two F550 Trucks and Installation of Dump Beds on Both
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends that the City Council pass and adopt Resolution No. 11113 – A Resolution Authorizing the City Manager to Execute an Agreement with Folsom Lake Ford for the Purchase of Two F550 Trucks and Installation of Dump Beds on Both.

BACKGROUND / ISSUE

The Environmental and Water Resources Department (EWR) recognizes the need to maintain a fleet of vehicles that will be able to provide reliable, efficient and responsive service. In coordination with the City of Folsom Fleet Manager, current department vehicles are reviewed to help identify priority vehicles for replacement based on service life, mileage and purpose.

This agreement is for the replacement of two F550 dump trucks to be used by the Utility Maintenance division that have exceeded their expected service life in terms of age, mileage and ongoing maintenance costs. These vehicles are essential for maintenance of the water and sewer infrastructure and therefore for safeguarding the health and safety of the Folsom community.

This resolution authorizes the City Manager to execute an agreement with Folsom Lake Ford for the purchase of two F550 bare frame cab and chassis trucks costing \$79,747 each, with the separate installation of dump beds at an estimated cost not to exceed \$50,000 per truck, for a total not-to-exceed amount of \$259,494.

POLICY / RULE

Section 2.36.120 of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services, and construction with an estimated value of \$70,952 or greater shall be awarded by the City Council.

Section 2.36.140 of the Folsom Municipal Code permits award of a contract without competition when there is only one source for the required equipment.

ANALYSIS

On June 8, 2021 through Resolution No. 10635, City Council approved purchase of 6 vehicles from Folsom Lake Ford for use by the Environmental and Water Resources Department. The vehicles authorized to be purchased through this Resolution included an F550 Dump Truck to be used by the Utility Maintenance Wastewater division.

On December 13, 2022 through Resolution No. 10956, City Council approved the execution of an agreement with National Auto Fleet Group for the purchase of a second F550 Dump Truck. This vehicle was for the Utility Maintenance Water division.

In December 2022, due to global supply chain disruptions and associated uncertainty about the quantity of trucks they would be able to supply, Ford introduced a Super Duty Allocation Program. Through this program the City of Folsom was allocated only 1 unit for the 2023 model year. Pending orders, including all vehicles associated with Resolution Nos. 10635 and 10956, were canceled by Ford. Funds allocated for these purchases were retained in the budget to be available to cover replacement orders.

The vehicles to be replaced through Resolution Nos. 10635 and 10956 were purchased in 2004 and 2002 respectively. With failing hydraulics on both, the beds cannot be lifted when there is a full load and therefore the vehicles cannot be used to their full potential, in turn reducing overall work efficiency. Additionally, due to the age of the vehicles, availability of the spare parts necessary for repairs is very limited. These vehicles are necessary for maintenance of the water and sewer infrastructure, and access to reliable, fully operational dump trucks is essential for safeguarding the health and safety of the Folsom community.

In September 2023 Folsom Lake Ford notified the City that they have two F550 trucks scheduled to be delivered and available for purchase for the price of \$79,747 per vehicle. The available vehicles are bare frame cab and chassis so separate purchase and installation of dump beds would be necessary for the vehicles to meet the requirements of the Utility Maintenance division. City Fleet staff estimate that installation of dump beds by Knapheide will cost no more than \$50,000 per truck and can be completed within 9 months.

Supply chain issues have been impacting the automotive industry for several years now. Availability of the vehicles needed by the Utility Maintenance division is extremely limited, and direct order purchases for vehicles of this type from all manufacturers requires a significant

lead time in excess of a year coupled with the risk of orders being canceled by vendors, which was the case with the City's purchase in 2022. There is much uncertainty about how this industry will correct over the next couple of years specifically for these built-to-order items, resulting in no other source to procure these necessary heavy duty Dump Trucks for the Department.

Based on the unavailability of other sources to procure the heavy duty Dump Trucks, City Fleet staff recommends purchasing the available F550s from Folsom Lake Ford. After taking into account the additional time for the installation of dump beds, this purchase will still facilitate having new Dump Trucks available for City use within a much shorter time frame than placing a direct order. Additionally, the risk of cancelation of a direct order is removed.

The Environmental and Water Resources Department is requesting City Council approve this resolution to purchase these urgently needed vehicles essential for EWR operations, and to then proceed to have dump beds installed on each, to replace the two aging dump trucks with failing hydraulics.

FINANCIAL IMPACT

Sufficient funds are budgeted and available in the FY 2023-24 Wastewater Operating Fund (Fund 530) and in the FY 2023-24 Water Operating Fund (Fund 520) for the requested vehicles. The cost of the vehicles will be divided between funds applying \$79,747 to each for a total purchase price of \$159,494.

Sufficient funds are also budgeted and available in the FY 2023-24 Wastewater Operating Fund (Fund 530) and in the FY 2023-24 Water Operating Fund (Fund 520) for the purchase and installation of dump beds on the vehicles, at a cost not-to-exceed \$50,000 per truck.

The replaced vehicles will be disposed of as surplus property in accordance with Section 2.36.220 of the Folsom Municipal Code.

ENVIRONMENTAL REVIEW

This action is exempt from environmental review under the California Environmental Quality Act (CEQA).

ATTACHMENT

Resolution No. 11113 – A Resolution Authorizing the City Manager to Execute an Agreement with Folsom Lake Ford for the Purchase of Two F550 Trucks and Installation of Dump Beds on Both

Submitted,

Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

ATTACHMENT 1

RESOLUTION NO. 11113

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH FOLSOM LAKE FORD FOR THE PURCHASE OF TWO F550 TRUCKS AND INSTALLATION OF DUMP BEDS ON BOTH

WHEREAS, Environmental and Water Resources Department staff has validated the need to purchase two F550 trucks based on an approved replacement schedule; and

WHEREAS, these vehicles are essential for maintenance of the water and sewer infrastructure and therefore for safeguarding the health and safety of the Folsom community; and

WHEREAS, the purchases are replacements for orders previously approved by City Council, but canceled by Folsom Lake Ford due to unanticipated supply chain issues; and

WHEREAS, Folsom Lake Ford has two bare frame cab and chassis F550 trucks inbound and available for purchase for \$79,747 per vehicle; and

WHEREAS, it is estimated that purchase and installation of a dump bed on each truck can be completed within nine months, for no more than \$50,000 per vehicle; and

WHEREAS, no other source is available to procure these necessary heavy duty Dump Trucks for the Department within a reasonable timeframe; and

WHEREAS, sufficient funds are budgeted and available in the Wastewater Operating Fund (Fund 530) for purchase of one of the vehicles in the amount of \$79,747 and the associated dump bed purchase and installation in an amount not to exceed \$50,000; and

WHEREAS, sufficient funds are budgeted and available in the Water Operating Fund (Fund 520) for purchase of the other vehicle in the amount of \$79,747 and the associated dump bed purchase and installation in an amount not to exceed \$50,000; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute an Agreement with Folsom Lake Ford for the purchase of two F550s trucks for a total purchase price of \$159,494 and subsequent installation of dump beds on the vehicles at a cost not-to-exceed \$50,000 per truck.

PASSED AND ADOPTED this 24th day of October, 2023, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Rosario Rodriguez, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE