

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: July 11, 2023

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: John D. Schaefer, Director of Public Works

Topic: Emergency Purchase due to Vehicle Scarcity - Public Works Plow Truck

PURPOSE

Periodically, the Village of Homewood must replace vehicles that have reached their end of use. Public Works Street Department Parking Lot Plow Truck #56 has been identified as needing to be replaced. A budget amendment is required to allocate American Rescue Plan Act (ARPA) funds to cover the cost of this purchase.

PROCESS

Homewood, like most municipalities in Illinois, rely on the State of Illinois Purchasing Cooperative to purchase municipal vehicles. The State's purchasing cooperatives responsible for facilitating municipal vehicle purchases (*i.e., South Suburban Purchasing Cooperative*), have become all but stagnant and ineffective due to supply and demand and computer chip (semiconductor shortage) challenges. While larger cities in Illinois receive "vehicle purchase priority" from the cooperatives due to their larger volume replacement schedules, smaller municipalities are left with few options to replace fleet vehicles. Local area dealership are able to order vehicles, but these specialty municipal vehicles (larger trucks and police vehicles), can remain on back order for years or indefinitely. The South Suburban Purchasing Cooperative shared messaging for their Ford truck purchase requests: *Ford is not taking orders and will not honor contract extensions, so they will be rebid when Ford releases specifications.* There are no State cooperative purchase option available for Ford F250 trucks.

Auto companies like Chevrolet and Ford have stopped production on some vehicles. By the end of 2023, almost 18 million vehicles will have been removed from production plans since the chip shortage started, according to [REUTERS](#) Auto Forecast Solutions – an online news platform. Ford shared that it left billions of dollars on the table that were within its control and blamed a 100,000 vehicle shortfall in its fourth-quarter volume mostly on the inability to obtain enough chips.

In response to the scarce availability of the vehicle, staff began the process of identifying potential replacement vehicles through local area dealerships. While local and regional dealerships are able to order vehicles, the vehicles may be delayed a year or two before arrival.

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Homewood searched for area and regional dealerships that had the vehicle in their current inventory.

After an extensive search, staff located a 2022 Ford F250 Pickup Truck from D’Orazio Ford of Wilmington, IL for \$53,109.26. The dealership has agreed to hold the vehicle for the Village until proper approvals are obtained.

OUTCOME

Staff recommends proceeding quickly to secure this vehicle, which will require waiving competitive bidding for an emergency purchase due to the current high demand for vehicles.

The total purchase price for the vehicle is \$53,109.26. An additional \$18,891 is needed to outfit the vehicle for snow removal operations, which includes: additional technology equipment, installation, and decals for a total of \$72,000.26.

FINANCIAL IMPACT

- **Funding Source:** ARPA Funding
- **Budgeted Amount:** \$0
- **ARPA Allocation:** \$72,000.26
- **Cost:** \$72,000.26

LEGAL REVIEW

Not Required

RECOMMENDED BOARD ACTION

Approve a budget amendment allocating \$72,000.26 of American Rescue Plan Act (ARPA) funds to purchase a 2022 Ford F250 pickup truck; waive competitive bidding as an emergency purchase due to scarce vehicle availability; and, approve the purchase of a 2022 Ford F250 pickup truck vehicle from D’Orazio Ford of Wilmington, IL for \$53,109.26, with \$18,891 for additional vehicle equipment for a total of \$72,000.26.

ATTACHMENT(S)

- Specifications from D’Orazio Ford
- Vehicle Evaluation Form