

## EWEB Board Consent Calendar Request

### *For Cooperative Contracts*

The Board is being asked to authorize an increase in the use of a cooperative contract for **Light Duty Vehicles** with **Landmark Ford**.

Board Meeting Date: May 2, 2023

Project Name/Contract #: As-Needed Light Duty Vehicles / OR PA 1660

Manager: Scott Milovich Ext. 7408

Executive Officer: Karen Kelley Ext. 7153

**Expected Spend: \$1.4 million (over 3-years 2022-2025)**

**Increased from \$0.8 million approved 7/5/22**

#### Narrative:

The Board is being asked to authorize an increase in the use of the State of Oregon Price Agreement 1660 with Landmark Ford of Tigard, Oregon for the purchase of as-needed light-duty vehicles which are currently challenging to source at competitive rates. We are requesting an increase from the previously approved \$0.8 to \$1.4 million. Like other purchasing programs, this State of Oregon contract leverages the purchasing power of public entities across the country to deliver competitive pricing and sourced contracts to public entities like EWEB. This contract offers pricing that includes discounts per commodity depending on the category of supply.

At present, approximately \$0.6 million of the \$0.8 million, previously approved by the Board on July 5, 2022, has been committed to Landmark Ford for the purchase of 2022-2023 vehicles for the EWEB fleet. In 2022 EWEB ordered 11 vehicles, all of which carried over into 2023, and we've ordered one additional in 2023. We have not taken delivery of any of these vehicles to date. We anticipate receiving three and the rest will likely carry over into 2024. Overall, EWEB has ordered twenty-three new light-duty vehicles over 2022-2023 and anticipates doing the same for 2024-2025 between this coop contract and the coop contract with Northside Ford. Contributing factors to the large use of this purchasing agreement, in a short period of time, are that vehicle cost has gone up roughly an unpredicted twenty percent, and the number of EWEB employees that require fleet vehicles has grown. When new vehicles are put into service, the vehicles they replace are occasionally repurposed, but more often they are sent to auction. The amount presently requested is anticipated to carry EWEB Fleet Services purchases with Landmark Ford through the end of 2025.

#### Operational Requirement and Alignment with Strategic Plan

It is essential for the Utility to have vehicles for use in our electric and water distribution systems to provide reliable service to meet the needs of our customers. Unfortunately, there continues to be constraints on vehicle acquisition markets for light duty vehicles. With continuing supply chain issues, the availability of new vehicles for government sales will remain constrained for a few more years. As a result, many fleets, such as EWEB's, have had allocations imposed on how many units can be purchased within a model year. This has resulted in EWEB purchasing forward into future budget years.

We are anticipating vehicle order-banks to open this summer for fleet purchases for 2024 model vehicles. We're also anticipating the window for ordering will be from a few days to a couple of weeks before the model years are sold out.

Utilizing the State of Oregon Price Agreement for light duty vehicles is directly in support of 2022 Organizational Goal #1 to maintain efficient and effective operations. Ongoing maintenance, capital renewal and replacement, and compulsory compliance and customer facing (obligation to serve) related workflows all require ability to source materials and goods quickly and efficiently to meet the needs of project schedules. Ensuring that this method is an option for staff leading these projects will help to mitigate project delays associated with equipment shortages and

provide additional paths for already vetted and competitively contracted goods.

#### Purchasing Process

Request For Proposal #DASPS-2295-20 was solicited by the Oregon Department of Administrative Services, during February-March of 2021, with multiple awards coming from it. State of Oregon Price Agreement 1660 was awarded to Landmark Ford, with four other Ford dealerships receiving price agreements with the State of Oregon, including: Butler Ford, Inc., Gresham Automotive, Inc., Northside Ford Truck Sales, Inc., and Roberson Ford Sales, Inc.

#### **ACTION REQUESTED:**

Management requests the Board authorize an increase in the use of a cooperative contract for the purchase of as-needed light-duty vehicles with Landmark Ford, from \$0.8 to \$1.4 million. The unit delivery times are unknown at this time but anticipated to be at least 365 to 700 days after receipt of purchase order. These vehicles will be planned and budgeted for use in 2024-2025. Variances will be managed within the budget process and Board policy.