

Legislation Text

File #: BILL NO. 23-122, **Version:** 1

An Ordinance approving an amendment to the Procurement Policy to allow the Fleet Manager to purchase vehicles from a vendor with whom the City does not have a current contract in place, or where the vendor is not offering a particular vehicle pursuant to the City's contract as needed, for the City of Lee's Summit. (F&BC 6/5/23)

Issue/Request:

An Ordinance approving an amendment to the Procurement Policy to allow the Fleet Manager to purchase vehicles from a vendor with whom the City does not have a current contract in place, or where the vendor is not offering a particular vehicle pursuant to the City's contract as needed, for the City of Lee's Summit.

Key Issues:

- The City's current Cooperative Contract No. 2020-009 Metro Vehicle Bid is unable to lock in pricing for 2023.
- Most of the participating vendors of the Metro Vehicle Bid will not honor Fleet status.
- Most of the participating vendors of the Metro Vehicle Bid will not honor agreed upon pricing of said vehicle due to volatility in the supply and demand from buyers offering immediate purchase of vehicles at or above the Manufacturer's Suggested Retail Price (MSRP).
- Fleet Division must now go into the open market and "compete" for vehicles.
- The following Sections of the Procurement Policy may be temporarily waived when necessary, as approved by the City Manager:
 - Section 4 Approval Levels
 - Section 5 Solicitation Processes

Proposed City Council Motion:

I move for a second reading of an Ordinance approving an amendment to the Procurement Policy to allow the Fleet Manager to purchase vehicles from a vendor with whom the City does not have a current contract in place, or where the vendor is not offering a particular vehicle pursuant to the City's contract as needed, for the City of Lee's Summit.

I move for adoption of an Ordinance approving an amendment to the Procurement Policy to allow the Fleet Manager to purchase vehicles from a vendor with whom the City does not have a current contract in place, or where the vendor is not offering a particular vehicle pursuant to the City's contract as needed, for the City of Lee's Summit.

Background:

Given the impact of supply chain issues and parts availability for the production of new vehicles, both vehicle manufacturers and dealers are changing their business practices. Manufacturers and dealers are no longer supporting smaller government fleets with deep discounts and exclusive availability. Instead, manufacturers are focusing on keeping their dealers supplied with high end vehicle models that are in high demand. On occasion, fleet type vehicles are being shipped to dealers to sell on the open market.

Because the City does not have pre-approved agreements in place with the vast majority of the dealers in the area, the City's Fleet Manager cannot aggressively pursue the purchase of these vehicles while staying within the requirements of the City's Procurement Policy regarding solicitation. These revisions will allow the City's Fleet Manager to aggressively pursue the purchase of these vehicles with the approval of the requesting Department Director and City Manager.

This Ordinance only applies to vehicles listed on the City's Vehicle Equipment Replacement Program, VERP, and are scheduled for replacement with budgeted funds, or vehicles that are being added to the VERP by a previously approved expansion request in the budget.

Impact/Analysis:

Without this Ordinance, the Fleet Manager will not be able to react to the availability of vehicles as they appear in the open market. This could lead to the City not being able to purchase the necessary vehicles to stay on schedule with the VERP.

Timeline:

Start: ____

Finish: ____

Other Information/Unique Characteristics:

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Mike Anderson, Deputy Director of Public Works - Operations

Recommendation: Staff recommends approval of an Ordinance approving an amendment to the Procurement Policy to allow the Fleet Manager to purchase vehicles from a vendor with whom the City does not have a current contract in place, or where the vendor is not offering a particular vehicle pursuant to the City's contract as needed, for the City of Lee's Summit.

Committee Recommendation: A motion was made by Councilmember Hodges, seconded by Councilmember Lopez, that TMP-2667 be recommended for approval to the City Council. The motion carried by a unanimous 4-0 vote.