## COUNTY OF SAN DIEGO BOARD OF SUPERVISORS TUESDAY, JANUARY 28, 2025

## MINUTE ORDER NO. 6

SUBJECT: AUTHORIZE APPROVAL OF BRAND NAME VEHICLES IN PROCUREMENT

OF COUNTY FLEET VEHICLES AND EXPANDED USE OF SIMPLIFIED PROCUREMENT PROCESS TO ALLOW SOLICITING LOCAL BUSINESSES FOR NEW VEHICLE PURCHASES, OUTFITTING, AND REPAIR SERVICES

(DISTRICTS: ALL)

## **OVERVIEW**

Over the past 25 years, the County of San Diego (County) has standardized its fleet to Ford Motor Company (Ford) products. On December 7, 1999 (6), the Board of Supervisors (Board) initially approved the County to standardize the makes, models, and types of vehicles acquired for use by various County departments. Subsequently, 78% of the Fleet are Ford brand vehicles. Similarly, the Board approved specifying vehicle manufacturers in support of covert, undercover operations since March 22, 2005 (8). The remaining portion of the fleet consists of various brands to meet department orders, such as off-highway construction equipment, forklifts, and buses. As a result of automotive industry shortages or cancellations, as well as State and County sustainability regulations and goals, the Department of General Services (DGS) Fleet Services Division (Fleet) and the Department of Purchasing and Contracting (DPC) need the flexibility to specify makes, models, and outfitting for the portion of the Fleet (22%) that cannot standardize to Ford or qualify as covert in order to fulfill departments' orders and successfully achieve sustainability goals.

Historically, Fleet and DPC have managed vehicle purchases through competitive procurement, with a significant portion of awarded contracts coming through cooperative agreements outside of the County (e.g. Sourcewell). Since the pandemic, Fleet has moved away from cooperative agreement contracts in favor of maximizing business with local dealers through simplified procurement methods. This strategy circumvents industry shortages and cancellations and promotes the local economy. Further, Fleet needs replacement vehicle parts pricing schedules to match automotive parts industry standards to simplify bidding for local vendors.

Today's request is for the Board to approve and authorize the Director, DPC, to (i) approve the use of procurement methods in which DPC specifies the brand-name vehicle makes, models, and outfitting, including for Ford products and other vehicle brands; (ii) waive Board Policy A-87(4), Competitive Procurement's public notice of procurement requirement exclusively for undercover vehicle purchases; (iii) approve the use of simplified procurement methods up to \$1,000,000 when procuring vehicles, outfitting, and repair services from local dealers; and (iv) approve the utilization of replacement vehicle parts pricing structures that correspond with industry standards exclusively when parts procurement is ancillary to repair services.

# RECOMMENDATION(S) CHIEF ADMINISTRATIVE OFFICER

1. In accordance with Board Policy A-87, Competitive Procurement, approve and authorize the Director, Department of Purchasing and Contracting to specify brand-name vehicle makes, models, and outfitting in procurements for up to five years, as required to support County department operations.

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- 2. Waive Board Policy A-87(4), Competitive Procurement's public notice of procurement requirement when soliciting new vehicles, outfitting, and/or vehicle repair services for up to five years in support of covert operations.
- 3. Approve and authorize the Director, Department of Purchasing and Contracting to utilize Board Policy A-87's Simplified Procurement Procedure for procurements up to \$1,000,000 when soliciting new vehicles, outfitting, and/or vehicle repair services for up to five years, where eligibility to compete for award is reserved exclusively for local businesses.
- 4. Waive Board Policy A-81(C)(1)'s prohibition on Cost-Plus-a-Percentage-of-Cost contracts and, in line with industry standards, authorize the Director, Department of Purchasing and Contracting to procure vehicle parts using a pricing structure of cost-plus-percentage markup for up to five years, when contracting with local businesses for vehicle repair services where vehicle parts and replacement parts are ancillary to the services.
- 5. Find that the proposed actions are categorically exempt from environmental review in accordance with Section 15060(c)(3) of the California Environmental Quality Act Guidelines because they are not projects as defined by Section 15378.

## **EQUITY IMPACT STATEMENT**

Approval of today's request helps achieve County department operational and environmental goals; promotes alignment with industry standard pricing models when purchasing vehicle replacement parts; and simplifies contracting methods to better support economic opportunity for local businesses.

## SUSTAINABILITY IMPACT STATEMENT

Board approval to specify brand-name vehicle makes and models and expand use of Board Policy A-87's Simplified Procurement Procedure contribute to the County Electric Vehicle Roadmap and Green Fleet Action Plan strategies, which align with California Air Resources Board's mandates related to zero-emission vehicle conversion. These actions will also contribute to the County's annual greenhouse gas reduction goals as described in the Climate Action Plan (2024) of 236,498 metric tons of carbon dioxide equivalent (MTCO2e) by 2030 and 396, 815 MTCO2e by 2045.

## FISCAL IMPACT

Funds for these requests are included in the Fiscal Year 2024-25 Operational Plan for the General Services Fleet Internal Service Fund (ISF). If approved, this request will result in current year cost and revenue of an estimated amount of \$18,500,000. The funding sources will be ISF charges to client departments for services. There will be no change in net General Fund costs and no additional staff years.

## **BUSINESS IMPACT STATEMENT**

Expenditures from this action may create private sector jobs and economic opportunities in San Diego County for local employees, independent shops, and local dealerships.

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## **ACTION:**

ON MOTION of Supervisor Montgomery Steppe, seconded by Supervisor Desmond, the Board of Supervisors took action as recommended, on Consent.

AYES: Anderson, Lawson-Remer, Montgomery Steppe, Desmond

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ABSENT: (District 1 Seat Vacant)

State of California) County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER

Clerk of the Board of Supervisors

**Signed** 

by Andrew Potter

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