



ADMINISTRATION COMMITTEE

Agenda Report

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File #: 2025-4196

Agenda Date: 3/26/2025

Agenda Item No: 13.

FROM: Robert Thompson, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

FLEET VEHICLE REPLACEMENT PURCHASES

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Delegate to the General Manager and Purchasing Manager the authority to purchase new and replacement vehicles during the fiscal year, not to exceed the previously Board-approved amount of \$859,827, utilizing the method of procurement determined by the General Manager to be in the best interest of OC San, to include cooperative contract, competitive solicitation, or sole source purchase.

BACKGROUND

Orange County Sanitation District (OC San) maintains a fleet of vehicles necessary to meet business needs. The fleet comprises 10 heavy-duty equipment trucks, one bus, 28 medium-duty trucks, 77 light-duty trucks, 20 sedans, 15 SUVs, and 19 vans, totaling 170 vehicles.

OC San's Fleet Services Division replaces vehicles as part of a fleet right-sizing and modernization strategy. The replacement is based on the current vehicle's ability to meet the assigned departmental needs, vehicle age, maintenance cost, condition, and mileage. All new and replacement proposed vehicles were identified as required for business needs during the fiscal year 2024-25 budget preparation process.

The new and replacement vehicles are proposed annually during budget preparation. The Board subsequently approves vehicle procurements under the capital equipment section of the budget in June of each year. OC San enters into a purchase order agreement with entities that work directly with vehicle manufacturers to capitalize on the most cost-effective means to purchase the vehicles. OC San benefits from eliminating unnecessary options in the retail market through dealer shopping and ensures adherence to internal vehicle specifications.

All vehicle purchases are evaluated for "Green" (electric, hybrid, CNG) technology applications to ensure adherence to the appropriate regulations.

RELEVANT STANDARDS

- Participate in local, state, and national cooperative purchasing programs
- Ensure the public's money is wisely spent
- Maintain a proactive asset management program

PROBLEM

OC San Fleet Services obtained Board approval in September 2024 to purchase replacement vehicles solely through cooperative contracts. Attempts to purchase vehicles through this sole method has resulted in the inability to obtain vehicles.

PROPOSED SOLUTION

Authorize the General Manager and Purchasing Manager more flexibility to utilize the method of procurement determined to be in the best interest of OC San, to include cooperative contracts, competitive solicitation, or sole source purchase. This will allow staff to obtain vehicles in markets where inventory is readily available.

TIMING CONCERNS

Due to supply chain variability, vehicle manufacturers have been prematurely closing ordering windows due to part shortages and demand which is exceeding supply. Manufacturer order periods for the coming model year are late to open and expected to remain open for 45-90 days instead of six months. OC San's internal process requires additional committee and board action time, jeopardizing the ability to replace vehicles with external deadlines beyond OC San's control.

RAMIFICATIONS OF NOT TAKING ACTION

The vehicles selected for replacement are costly, unreliable, and lack modern safety features currently required for fleet vehicles. Unscheduled maintenance costs are increasing, and vehicle reliability will compromise the mobility needs of staff.

PRIOR COMMITTEE/BOARD ACTIONS

September 2024 - Approved the purchase of new and replacement vehicles for Orange County Sanitation District's fleet as initially approved in the adopted Fiscal Year 2024-25 Budget in the amount of \$859,827; and delegated to the General Manager and Purchasing Manager the authority to purchase new and replacement vehicles through cooperative contracts during the fiscal year in the not to exceed amount listed above, during the fiscal year.

ADDITIONAL INFORMATION

OC San proceeded to purchase Board-approved replacement vehicles in fiscal year 2023-24 and successfully secured vehicles in short supply due to the agility to execute this process. This allowed staff to meet manufacturer deadlines when they prematurely closed and sustained the fleet's reliability. The requested vehicle type composition is shown in the table below:

Purchase Type	Vehicle Type	Quantity	Total Cost
Replacement	PHEV SUV(s)	8	\$414,827
New	PHEV SUV(s)	1	\$45,000
New	Service Body Truck(s)	4	\$260,000
New	Light Duty Pickup Truck	1	\$50,000
New	Cargo Van(s)	2	\$90,000

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Budget FY 2024-25 and 2025-26, Section 8, Page 92, Proposed Capital Equipment Budget Detail) and the budget is sufficient for the recommended action.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

N/A