

San Geronio Pass Water Agency

DATE: November 6, 2023

TO: Board of Directors

FROM: Lance Eckhart, General Manager

BY: Matthew Howard, Operations Manager

SUBJECT: CONSIDER AUTHORIZATION FOR THE PURCHASE OF ONE FORD PICKUP TRUCK AND ONE FORD EXPLORER

RECOMMENDATION

The Board of Directors authorize the purchase of a 2023 Ford F-250 pickup truck at a cost not to exceed \$92,000 and authorize the purchase of a 2023 Ford Explorer at a total cost not to exceed \$58,000, purchases to be completed by December 31, 2023.

BACKGROUND AND ANALYSIS

The request to purchase a new 2023 F-250 pickup truck and a 2023 Ford Explorer arises from the evolving regulatory framework in the state of California. This decision is primarily prompted by the impending changes to state regulations governing the purchase of Zero-Emission Vehicles (ZEVs), which are slated to become effective on January 1, 2024.

One of the most significant milestones in California's transition to ZEVs is the implementation of regulations scheduled for public agency vehicle purchases to take effect on January 1, 2024. These regulations, governed by Title 13, section 2301(d) of the California Code of Regulations (CCR), will mandate that 50% of newly purchased vehicles by public agencies meet ZEV criteria. With the approaching regulatory changes, obtaining the new 2023 F-250 and the new 2023 Ford Explorer and integrating them into our fleet by December 31, 2023, is not only well-timed but also important to maintaining our current level of service.

Due to supply chain impacts caused by the Covid-19 pandemic, the United Auto Workers Union strike, building materials, and availability of the semiconductor chips, most dealerships/manufacturers are not taking or guaranteeing fleet orders, and the pricing for the 2023 Ford F-250 is not available because of the limited supplies. Staff requested quotes from over three dealerships, and all dealerships provided a similar response: this specific truck is not currently available on their lot. Given this supply challenge with the 2023 F-250, Staff recommends that the Board of Directors authorize the purchase of a 2023 F-250 based on the price range of these trucks located at other dealerships across Southern California between \$70,000-\$80,000, including a 15% contingency to account for taxes, license, and document fees. Staff will locate the desired 2023 Ford F-250 from a Southern California dealership and negotiate the best price within the range of prices listed above, and purchase the truck "off the lot".

The proposed Ford F-250 will become the Agency's primary service vehicle. The existing 2015 Dodge Ram 2500, that has approximately 103,000 miles on the odometer, has had increased maintenance costs and is nearing the end of its service life. It will be retained for future staff use. The proposed Ford Explorer will become the General Manger's vehicle. The current 2017 Ford Explorer, with 104,000 miles, will be retained as a pool vehicle.

The desired specifications for the Ford F-250 and Explorer include: four-wheel drive, skid plates, towing package, hands-free Bluetooth capability, and 110V outlets for tools. These are standard specifications to meet the needs and safety elements of the Agency. The trim package of the vehicles will be comparable to the current Ram 2500 and Ford Explorer in the Agency's fleet.

Staff solicited quotes from three local Ford Dealerships and received three quotes. Below are the quoted prices from each dealership:

2023 Ford F-250:

Fairview Ford: Not Available

Citrus Ford: Not Available

Palm Springs Ford: Not Available

2023 Ford Explorer:

Fairview Ford: \$54,190 (MSRP)

Citrus Ford: \$55,890**

Palm Springs Ford: \$59,133**

**These quotes include tax, license, and doc fees (out-the-door price).

FISCAL IMPACT

Funds for this expenditure would come from the General Fund (the Green Bucket). The budget for FY 2023-24 does not include a provision for this purchase, so Staff recommends a budget revision. A new line item for the purchase of the vehicles would be added in the 'Major and Capital Expenditures' section of the budget. The maximum expenditure recommended by Staff is a total of \$150,000. This would reduce the projected year-end excess revenue, but that amount would still be positive, so it would not be necessary to take funds from reserves.

AGENCY'S STRATEGIC PLAN APPLICATION:

The purchase of this truck and Explorer is consistent with the Agency's Mission Statement to support the region's quality of life through sustainable water management and with the following strategies:

- Ensure a reliable delivery system that advances efficiency and resiliency.
- Sustain long-term financial stability by engaging in prudent planning to guide informed decision-making.
- Serve the public with dedication, determination, transparency, collaboration, and a commitment to expanding knowledge.

ACTION

The Board of Directors authorize the purchase of a 2023 Ford F-250 pickup truck at a cost not to exceed \$92,000 and authorize the purchase of a 2023 Ford Explorer at a total cost not to exceed \$58,000, purchases to be completed by December 31, 2023.

Consider Authorization for Purchase of One Ford Pickup and One Truck Ford Explorer

BOARD OF DIRECTORS MEETING

NOVEMBER 6, 2023

Discussion

1. Overview of Vehicles in Agency's Fleet
2. Upcoming State and Local Fleet Requirements
3. 2023 Ford F-250 Supply Challenges
4. 2023 Ford Explorer Quotes
5. Fiscal Impact
6. Staff Recommendation

Current Vehicles in Agency's Fleet

- 2017 Ford Explorer 4x4
 - Approximately 104,000 Miles
 - Good working condition
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- 2015 Ram 2500 PowerWagon
 - Approximately 103,000 Miles (hard miles)
 - Nearing the end of its service life



Upcoming State and Local Fleet Requirements

- California Air Resource Board (CARB) has passed regulations that require the public agencies to transition from Internal Combustion Engines to Zero Emissions Vehicles in the coming years by 2027.
- California has set a requirement that 100% of the vehicles sold in the state must be Zero Emissions Vehicles by 2035.

Future Purchases

- CARB has passed regulations with the following requirements for public agencies, effective January 1, 2024:
- 50% of vehicles purchased must be Zero Emissions Vehicles (ZEV), or electric vehicles (EV).
- Starting in 2027, all vehicle purchases must be ZEVs, or EVs.

Quotes for New 2023 Ford F-250

- Fairview Ford: Not Available
- Citrus Ford: Not Available
- Palm Springs Ford: Not Available

- Availability of 2023 F-250 trucks is very limited due to shortages from:
 - COVID-19 pandemic
 - United Auto Workers Union strike
 - Shortage of building materials and semiconductor chips
 - Range of internet MSRP: \$70,000 to \$80,000



Stock Photo of 2023 Ford F-250

Quotes for New 2023 Ford Explorer

- Fairview Ford: \$54,190 (MSRP)
- Citrus Ford: \$55,199.46**
- Palm Springs Ford: \$59,133**

- **These quotes include tax, license, and doc fees (Out-the-door price)



Stock Photo of 2023 Ford Explorer

Fiscal Impact

Funds for these expenditures would come from the General Fund (the Green Bucket). Staff recommends a budget revision to the FY 2023-24 budget for a total of \$150,000. These expenditures would reduce the projected year-end excess revenue, but not require taking funds from reserves.

Staff recommends retaining the 2017 Ford Explorer as a pool vehicle. Additionally, Staff recommends retaining and maintaining the 2015 Ram 2500 operations truck in anticipation of upcoming staff acquisitions.

- *The 2017 Ford Explorer might be sold if it is not used (reviewed annually).*

Staff Recommendation

Staff recommends the Board of Directors authorize the purchase of a 2023 Ford F-250 at a cost not to exceed \$92,000 and authorize the purchase of a 2023 Ford Explorer at a cost not to exceed \$58,000, purchases to be completed by December 31, 2023.

Questions

