

# STAFF REPORT

## City of Lancaster

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10/22/2024
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Date: October 22, 2024

To: Mayor Parris and City Council Members

From: Marissa Diaz, Director - Public Works  
Michael Harne, Assistant Director – Maintenance Services

Subject: Fleet Program Single Vendor Expenditure Authority Increase and Appropriation

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### Recommendations:

1. Increase the City Manager's, or his designee, single-vendor expenditure authority to the budgeted amount for the fleet fund capital asset purchase and lease accounts through the end of FY 2024-2025, and require the City Manager to report purchases in excess of the purchasing authority to the City Council in writing; and
2. Appropriate \$240,000.00 into account 111-44097-82000; and
3. Authorize the City Manager, or his designee, to execute and sign all documents.

**G.C. Section 84308:** No

### Fiscal Impact:

Sufficient funds are available in the City Council-approved appropriations for the FY 2024-2025 Maintenance Services Operating Budget under account numbers 111-44000-8200, 111-44000-5330, 111-44097-82000, 423-44000-5330, 423-44000-8200, 214-44000-5330, and 214-44000-82000. Additionally, approval of this recommendation will appropriate \$240,000.00 to increase the budget for account 111-44097-82000.

### Background:

Several factors contribute to the ongoing vehicle and equipment shortages that hinder the City's operational needs. Maintenance Services staff must frequently compete with other buyers to secure necessary vehicles. Repeating this process 10–20 times a year places a significant strain on both Finance and Maintenance Services staff. Moreover, the City Manager's current expenditure authority limits the number of vehicles that can be purchased from a single dealership.

For instance, a dealership may offer a highly favorable deal on a needed vehicle, however, if the City Manager's expenditure authority for that dealership has been reached, the deal cannot be completed. In today's competitive vehicle market, dealerships are unwilling to hold vehicles for the time it takes to secure City Council approval. This delay often results in missed opportunities to lock in favorable pricing and interest rates, further compounding the challenges.

To address this, the Maintenance Services Division is proposing an increase in the City Manager's expenditure authority for single-vendor vehicle and equipment purchases. This increase would align with the approved capital asset budget for fleet funds, and allow staff to act quickly when working with vendors, securing the best possible deals. The proposed adjustment would streamline the vehicle procurement process, while maintaining compliance with the City's purchasing policies. Maintenance Services staff will continue to follow the requirements of the Lancaster Municipal Code, as well as the purchasing department's approved procurement methods, such as quotes, cooperative agreements, or solicitations, to ensure the vendor offering the best value is selected. Once identified, staff will work with the selected vendor to finalize the purchase. If the City Manager approves purchases from a single vendor that exceed his established expenditure authority (currently \$125,000.00, as set by ordinance), he will notify the City Council in writing for each such transaction in accordance with Council policy.

We respectfully request that the Council approve this increase in single-vendor expenditure authority.

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