



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 26

Agenda Date: November 2, 2023

In Control: City Council A Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Supply Chain Issues – Vehicles, Related Products, Parts and Services

SUMMARY:

This ordinance authorizes the City Manager, or designee, to purchase vehicles, including any necessary upfitting and related products and services, and to execute contracts and any documents necessary to effectuate such transactions, as long as supply chain issues constrain the availability of vehicles and related products and services, subject to and contingent upon appropriation of funding.

BACKGROUND INFORMATION:

This ordinance authorizes the City Manager, or designee, to purchase additional vehicles, including any necessary upfitting and related products and services, and to execute contracts and any documents necessary to effectuate such transactions, as long as supply chain issues constrain the availability of vehicles and related products and services, subject to and contingent upon appropriation of funding.

Due to ongoing supply chain challenges, the City is facing increased difficulties in acquiring

vehicles, auto parts, and related services such as retrofitting, batteries, and lubricants. The City, in response to industry fluctuations, has had to issue multiple solicitations with no bids received and employ diverse procurement methods to secure these items, offering flexibility due to their limited availability. Labor shortages and supply chain disruptions persist, impacting the availability and pricing of vehicles, parts, and supplies.

In late 2019, the City began grappling with vehicle and parts shortages due to supply chain issues, particularly affecting critical areas including Police, Fire, and Public Works. Vehicle lead times extended to over a year through the standard acquisition process. Occasionally, the City seized opportunities to obtain vehicles and equipment through other avenues such as dealer excess inventory and unclaimed manufacturer allocations. Recognizing the need for more agile procurement, staff sought limited delegation of authority for fleet services, enabling the City to swiftly capitalize on non-standard acquisition opportunities.

Furthermore, the City's proactive approach to streamlining procurement processes ensures the prompt acquisition of vehicles and equipment while meeting the public safety requirements, enhancing operational efficiency, and fulfilling essential public safety needs.

ISSUE:

Due to the current and on-going supply chain challenges, it has become difficult for City to procure vehicles, auto parts and vehicle related services such as vehicle retrofitting, batteries and lubricants. The current supplier and manufacturer supply and labor shortages have caused limited supplies and timeframe to order vehicles, and procure supplies and services.

In order for City to procure these required vehicles, services and supplies in a timely manner, this ordinance authorizes the City Manager, or designee, to purchase additional vehicles, including any necessary upfitting and related products and services, and to execute contracts and any documents necessary to effectuate such transactions, as long as supply chain issues constrain the availability of vehicles, subject to and contingent upon appropriation of funding.

ALTERNATIVES:

Not approving this ordinance will impact the procurement of vehicles, auto parts, and services and supplies related to vehicles to make ready for City use. The procurement of these items will be prolonged and may also require resoliciting for these vehicles and supplies/parts multiple times and order timeframes may not be met; and therefore, impacting the timely procurement of these vehicles and vehicle parts/supplies and services, and as a result negatively impacting City services to residents.

FISCAL IMPACT:

This ordinance authorizes the City Manager, or designee, to purchase additional vehicles, including any necessary upfitting and related products and services, and to execute contracts and any documents necessary to effectuate such transactions, as long as supply chain issues constrain the availability of vehicles, subject to and contingent upon appropriation of funding.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the City Manager, or designee, to purchase additional vehicles, including any necessary upfitting and related products and services, and to execute contracts and any documents necessary to effectuate such transactions, as long as supply chain issues constrain the availability of vehicles, subject to and contingent upon appropriation of funding.