



1-26-23

Subject: Change Request to PO 22000340 (9-8-21)

We are requesting an emergency change to this PO.

Background:

Ford Motor Company cancelled the trucks for three PO's we had placed through Olathe Ford for the 2022 model year. These trucks did not make the model year's production date. Olathe Ford had several dealer inventory units we were able to procure to replace one of these & meet the need of two new purchases for the current fiscal year. They did not have a chassis available to meet the need of this PO unit.

We have had conversations with several dealers & Knapheide to locate a truck chassis that will fit this need. There is a PO to Knapheide, PO 23000350 9-10-21) for a service body in the amount of \$37,677. If we are not able to secure this truck until the next model year, which means waiting right at another year from now to receive the truck in, then the body/crane cost from Knapheide will go up. This will likely be a minimum of a 10% increase (\$3,700).

We have located a chassis that will fit the specification need of this truck & service body. Due to the current market conditions, trucks are sold before they even hit the dealers lots. It is likely if we do not procure this one from Max Motors immediately, we will not find one and have to reorder after mid-year when the order bank opens again. This will mean it would be at least another calendar year from today before we receive this truck in for use.

Need:

This truck is for the Waste Water Treatment Plant maintenance crew. They need a crane/service body truck to perform their maintenance tasks at the plant & the pump stations. It is a necessity when they pull & replace motors. They are currently paying a tow truck company to come lift motors. At times, they have been able to have the sewer collections crew come & use a backhoe to assist. This is totally dependent upon spacing logistics for this piece of equipment. It does tie up the collections crew members from completing their current work task as well. This creates an inefficient use of personnel.



This cost is an increase from the current PO cost of \$42,153. Even the truck we were able to secure to meet PO 22000324 had a cost increase of \$5,000 from the original PO amount. If we order from the next model year, we will see even an additional cost increase from this price due to the current automotive market conditions. There was a 10% increase from the 2021 to 2022 model year, so it likely will be similar for the new model year when it opens for order. This is the current market conditions of the automotive industry.

I would like to convert this PO to the vendor Max Motors at their quoted price of \$54,578 so that we can have this delivered as soon as approved to Knapheide. Knapheide can have the body ready quickly & we can have this truck completed & in service within the next couple of months. I am attaching a copy of the approved budget amount for this truck, which was \$95,000. This cost will still fall under this originally budgeted amount. The cost will likely be even more if we wait for the next model year.

Fiscal Impact:

This will save money from using a tow truck service and the inefficient use of city personnel with duplicate crews completing this work. It will save approximately at least \$3,700 from a Knapheide cost increase if we have to wait another year as well as approximately \$5,000 from another model years 10% or so increase in cost.

Since other vendors cannot provide a quote unless a truck is available on their lot, there are currently no other resources to comply to this request. I have several other dealers trying to locate a truck to match this specification, but due to market conditions & dealer inventory no one can provide an alternative quote at the moment.

Please contact me with any questions. Thank you.

Michael Schott,
Facilities/Fleet Manager