



October 7, 2020

Item #9

**TO** GCTD Board of Directors

**FROM** Marlena Kohler, Purchasing Manager *MLK*

**SUBJECT** Consider Approval for Purchase Order Increase to Team Nissan for Ninth (9<sup>th</sup>) Nissan Leaf.

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### **SUMMARY**

In May 2019, the Board of Directors approved a purchase of nine (9) Nissan Leaf S electric vehicles Team Nissan in the amount of \$236,382.35. However, due to unanticipated delay in not only awarding the final purchase order but also the locating and delivery of the final vehicle, an additional \$1,126.23 is needed to finalize payment. The revised not-to-exceed amount will be \$237,508.58.

### **BACKGROUND**

In April 2019, GCTD began working with Team Nissan for the purchase of nine (9) replacement support vehicle. At that time, Team Nissan had possession of nine (9) 2019 Nissan S Leaf vehicles, however, by the time the purchase order was approved by the Board in May 2019 only five (5) vehicles were available for immediate delivery. However, Team Nissan was in the process of locating and/or ordering additional Leafs to complete the purchase order.

Due to the current Covid circumstances, it has taken some time to locate the other four (4) vehicles. In March and April, GCTD received three (3) more vehicles. These vehicles were 2020 models and equipped with additional features and although the initial price of these three (3) vehicles exceeded the initial per vehicle price stated in the purchase order, Team Nissan agreed to honor the purchase order price. However, the ninth and last vehicle was not delivered until earlier this month. There were no more vehicles currently available at any Nissan Dealerships and Team Nissan was awaiting shipment from Japan to complete our order. Team Nissan worked the price as much as possible but there was still a \$1,126.23 difference in the price of this last vehicle. GCTD staff agreed that this minimal price difference was worth accepting to complete our purchase order and get the much-needed vehicle into service.

Due to the high demand of this type of vehicle and at the risk of losing delivery and waiting longer for another vehicle at an even higher cost, Steve Brown, General Manager, approved moving forward with accepting the increase and purchasing this ninth vehicle.

### **RECOMMENDATION**

It is recommended that the Board of Directors authorize an increase to the purchase order with Team Nissan in an amount of \$1,126.23 for a revised contract total not-to-exceed \$237,508.58.

### **GENERAL MANAGER'S CONCURRENCE**

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Steven P. Brown  
General Manager

### **GOLD COAST TRANSIT DISTRICT**