

**The Regional Municipality of York
Police Services Board**

Public Board Meeting
October 27, 2021

Report of the Chief of Police

**Authority to Purchase 2022 Replacement
Police Vehicles**

1. Recommendation

1. That the Board approve the request to commit 50% of the 2022 Fleet Vehicle Capital funds in 2021 due to automotive supply chain shortages as a result of the pandemic, at a total amount not to exceed \$1,886,000.00 excluding taxes.

2. Summary

This report is seeking the Board's approval to commit funds from the 2022 Fleet Capital Budget in October 31, 2021 for the purchase of 40 Ford Utility Hybrid Vehicles, for delivery in 2022. This purchase is for the replacement of frontline patrol vehicles only, and represents 50% of the 2022 Fleet Capital budget.

This procurement is intended as a proactive measure to secure the access to vehicle inventory before it is depleted in 2022, due to high global vehicle demand and part shortages. The authority to commit 2022 Fleet Capital Funds for the purchase of the vehicles will ensure that York Regional Police Fleet can operate effectively, and replace frontline vehicles as scheduled in 2022. Ford Canada has scheduled production of 2022 Police Utility Hybrid vehicles November 1, 2021 and have agreed to hold 2021 pricing on any vehicles purchased prior to October 31, 2021.

Key Points:

- Global pandemic stressing parts and assembly manufacturing
- Semiconductor and tire shortages stressing automotive manufacturing capacity
- PCPG pricing expected to raise in 2022 due to demand
- Pre-emptive purchase will prevent disruption to operations or excessive maintenance costs caused by keeping older vehicles on the road if they cannot be replaced on schedule

3. Background

YRP ANNUAL VEHICLE REPLACEMENT PROGRAM

Each year, it is necessary to replace a portion of the patrol vehicles operated by the York Regional Police in accordance with the Fleet Vehicle Replacement Program. This process ensures our vehicles are safe, reduces maintenance costs and provides the highest return value on the replaced vehicles.

POLICE VEHICLE PACKAGE DIFFERENCES

York Regional Police purchase vehicles which are manufactured specifically to accommodate the rigors of police patrol and conform to the Province's Adequacy Standard. The braking system and suspension of the vehicles are heavier and the electrical system is structured to accommodate the extreme electrical draw that is required to drive the equipment installed in a police vehicle. These features are only available on police package vehicles. Manufacture's of police-purpose vehicles schedule limited production runs each year, so it is imperative that annual commitments are made early to secure required vehicles.

VEHICLE SUPPLY RISKS DUE TO PANDEMIC AND GLOBAL SUPPLY ISSUES

The global pandemic has caused many challenges in the manufacturing industry due to supply shortages. The Global Automotive manufacturers have fallen victim of same with both semi-conductor and tire shortages and this has resulted in extreme pressures on production output. The Fleet Unit of York Regional Police has been following these concerns and liaising with Ford of Canada throughout this year. As police purpose-built vehicles are only manufactured on limited runs during the year, Ford is forecasting a surge demand for police package vehicles in 2022 and expect a shortage for the North American market. York Regional Police has learned that the first run for the 2022 Ford Police Interceptor Utility Hybrid will be in November of 2021. Further, due to global vehicle demand, we expect to see retail prices increase and a decrease in the concessions made by Ford that are currently afforded to the Police Co-operative Purchasing Group. Current secured pricing between Ford and the PCPG will be honored until October 31, 2021.

YRP ACCESS TO PREFERRED PRICING

York Regional Police is a member of the Police Co-Operative Purchasing Group. This group consists of representatives from various Ontario police services including the Ministry of Government Shared Service. The Ministry of Government Shared Service release bids annually on behalf of the Police Co-Operative Purchasing Group and negotiate very competitive pricing for police purpose built vehicles.

4. Analysis

This report seeks to solicit approval to commit 50% of next years proposed capital allowance for vehicle purchases in 2021. Placing the order prior to October 31, 2021 will secure Police Co-Operative Purchasing Group pricing and provide assurance of vehicle delivery in early 2022. The vehicles being replaced will be disposed of by auction in accordance with By-Law #10-17.

For 2021, the Fleet Unit has witnessed many delays in vehicle production as well as general vehicle availability. Commitments from manufactures have been sporadic and delivery dates are continually being deferred. The used vehicle market has also seen historic levels of sales. Certain vehicle types that York Regional Police were seeking to purchase as used, such as common cargo vans, are virtually unavailable.

To advert any impacts to operations and the Fleet Units' vehicle replacement plan for 2022, we see this a prudent decision to secure supply of front-line vehicles.

Reporting Requirements

Purchasing By-Law #10-17 section 3.2 and 3.3 does not allow any purchases to be made unless the Board has provided funds for the procurement in the annual budget or the Board may authorize any purchase or method of procurement where to do so would be in the best interests of the Board or York Regional Police.

5. Financial

Funds in the amount of \$4,470,000 are included in the proposed 2022 Capital Budget for vehicles including \$3,136,700 for replacement vehicles. Typically, the capital spend authority treatment will apply for multi-year projects, however it is only available for the full project amount and was not requested via the 2021 budget submission process.

6. Conclusion

It is therefore recommended the Board approve 2022 interim appropriations for vehicle capital expenditures to purchase 40 new 2022 Ford Police Interceptor Utility Hybrid police package vehicles at a cost not to exceed \$1,886,000.00 excluding taxes.

Accessible formats or communication supports are available upon request.

Jim MacSween, B.A.A.
Chief of Police

JMS/mm