Office of State Procurement State of Louisiana

Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

MEMORANDUM OSP 22-04

TO:

All Agency Heads, Department Undersecretaries, Business Managers and Contract

Officers of all State Department and Agencies, Colleges and Universities, Boards

and Commissions

FROM:

Tom Ketterer

Director of State Procurement

DATE:

March 24, 2022

RE:

Vehicle Purchases

Due to the pandemic, many manufacturers have halted and restarted production multiple times in the past couple of years. This, as well as ongoing supply chain issues, has caused shortages in the availability of new vehicles. Due to the severity of the shortages, possible alternate resources have been identified for the purchase of vehicles.

All vehicles (new or used) purchased by State Agencies (identified as all Departments, Divisions, Offices, Universities, Vo-Tech Schools, Boards, Commissions, etc.) which operate under Fleet Management of Louisiana Property Assistance Agency (LPAA) must follow these standard guidelines which have not changed:

- Agencies seeking to purchase vehicles must seek approval from the Commissioner of Administration. Agencies are required to submit a justification packet, for each vehicle it seeks to order, to the State Fleet Manager, DOA/Louisiana Property Assistance Agency (LPAA). Once the approval packet (FA or A Letter) is received by the agency, the approval documentation should be submitted with your request to the Office of State Procurement (OSP) for order processing.
- Per La. R.S. 39:362(C), all motor vehicles purchased by the State of Louisiana shall be produced in the United States.
- All vendors must be properly licensed by the Louisiana Motor Vehicle Commission and a
 copy of a valid dealer's license issued under the provisions of La. R.S. 32:1254 should be
 submitted to OSP with your request for processing, if not on a State contract for purchasing.

 Delivery of all vehicles shall be made to LPAA with the exception of the following agencies:

Office of State Police, Fleet Operations
Department of Transportation & Development, Equipment Section

- The original invoice, certificate of origin/title and odometer statement shall be required from the vendor at time of delivery.
- Vehicles may be retrieved by an agency from LPAA when proof of the paid invoice is presented.

New Vehicle Purchases:

Some of the previously existing statewide contracts for vehicles have been renewed.

- Vendor: Gerry Lane
 - o 4400018787: Lines 15-Police/Responder, 52-Sedan, 57-SUV, 63, 64-Van
 - o 4400020203: Lines 5, 11-Police/Responder
- Vendor: Courtesy Ford
 - o 4400018788: Lines 10-Police/Responder, 61-Van, 83-Cab&Chassis Truck & Body
 - o 4400019435: Line 58-SUV
 - o 4400020874: Lines 8-Police/Responder, 60-Van

Newly awarded contracts will be posted to the website: Fleet.LA.Gov upon finalization of the awards, which should be in the near future.

*** IMPORTANT NOTE: At this time, <u>none</u> of the manufacturers are accepting orders, which in turn means the dealerships cannot accept any POs at this time. This includes contracts for which the vendors accepted renewal of their contracts and new contracts, when awarded. The projected timeline for ordering is as follows (subject to change based on manufacturing plant production):

- July/August 2022 ordering should open for cars and vehicles built on car chassis
- November/December 2022 ordering should open for trucks and vehicles built on larger (truck) chassis

Notification will be sent through ListServ when ordering is opened. Once opened, the window for ordering will probably be a short window. The Office of State Procurement is not responsible for requests which have not been received by our office prior to the order window closing.

*** Be aware that when placing an order from a renewed/existing contract or from a newly awarded contract, the estimated delivery timeframe is currently stated to be 18 to 24 months after receipt of order.

Used Vehicle Purchases:

The Louisiana Property Assistance Agency (LPAA) and Louisiana Federal Property Assistance Agency have access to State and Federal surplus property. LPAA's website is: https://www.doa.la.gov/doa/ogs/louisiana-property-assistance-agency/ and Federal Property's website is https://www.doa.la.gov/doa/ogs/louisiana-federal-property-assistance-agency/. Purchasing surplus property does not require bidding and payments are generally made by

interagency transfer of funds. Reach out to them and request information on locating and buying surplus vehicles.

Other Used Vehicle Resources:

The resources listed below require state agencies utilize Louisiana R.S. 39:1600(C) when purchasing used vehicles. In addition to the letter of justification, the agency is required to submit backup documentation such as: price quote, odometer statement, current value as identified by Kelley Blue Book (kbb.com) Private Party Value and vehicle history report (CARFAX.com).

Program Vehicles:

Dealers across the state have access to late model vehicles with low mileage. Reach out to any dealer statewide for available inventory.

Rental Companies:

Car rental companies such as Enterprise, National, Hertz, etc. have sales departments that can assist in locating late model vehicles available for sale through their nationwide network.

In conclusion, OSP is aware of the hardship placed on many agencies due to the lack of availability of new vehicles, but unfortunately, this is a nationwide crisis. We have been in contact with other states, and have had other states reach out to our office as well, as they are experiencing the same issues. We are still looking for additional opportunities and possible new methods we can use to procure vehicles both new and used, but until the manufacturers recover from their production backlog, it is going to be an ongoing problem. We ask for your understanding and patience.