

## COMMISSION AGENDA ITEM

### Item 9(b) – Ratification of the Purchase Order to Expend Funds and Procure Vehicles for the FY 2025-2026 Fleet Vehicle Replacement Plan



**Date:** September 25, 2025

**To:** California State Lottery Commission

**From:** Harjinder K. Shergill Chima *HKC*  
Director

**Prepared By:** Jean Cooper, Deputy Director,  
Operations Division

**Subject:** **Item 9(b) – Ratification of the Purchase Order to Expend Funds and Procure Vehicles for the FY 2025/2026 Fleet Vehicle Replacement Plan**

### **ISSUE**

The California State Lottery (Lottery) requests ratification of a purchase order to procure thirty (30) vehicles at a cost of \$1,580,226.00, pursuant to the FY 2025/2026 Fleet Vehicle Replacement Plan. The purpose of this expenditure is to replace aging and high-mileage vehicles for the Lottery's Sales Division, Security and Law Enforcement Division (SLED), and Operations Division (OPs).

### **BACKGROUND**

The Lottery's fleet consists of over four hundred (400) owned and leased vehicles, including cargo vans, compact vans, sport utility vehicles, sedans, trucks, and trailers. The existing vehicle model years range from 2013 to 2023, with odometer readings as high as 158,000 miles. Supply chain issues during the COVID-19 pandemic had lasting effects on the automotive industry and vehicle manufacturers' ability to meet demand. Therefore, the Lottery was unable to purchase replacement vehicles for several consecutive years, resulting in aging and high-mileage vehicles remaining in service beyond the recommended replacement standards.

Ops prepared a FY 2025/2026 Fleet Vehicle Replacement Plan in spring of 2025. The Lottery's Finance Division reviewed the plan and approved an expenditure of up to \$2,206,102.50, which will address approximately half of the Lottery's current vehicle replacement needs. This amount was included within the Lottery's Budget for Fiscal Year (FY) 25/26, which was approved by the Commission at the May 13, 2025, Commission Meeting.

### **DISCUSSION**

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The Lottery's Fleet Services section identified Ford, Chevy, and Dodge as the potential vehicle manufacturers available through California's statewide contracts. SLED, Sales, and OPs stakeholders were consulted, and selected Ford as their preferred manufacturer based on the available models, pricing, and vehicle reliability.

In June 2025, Downtown Ford committed to supplying the Lottery with thirty-two (32) vehicles within five (5) months, provided the Lottery sent a letter of intent to procure before the ordering bank deadline of June 13, 2025.

On June 3, 2025, Fleet Services requested permission to commit a portion of the FY 25/26 funds and submit a letter of intent to Downtown Ford before the June 13, 2025, deadline. On June 4, 2025, permission was granted by the Directorate, and on June 9, 2025, a letter of intent was submitted to Downtown Ford to purchase thirty-two (32) vehicles in the amount of \$1,696,381.98.

Subsequently, Downtown Ford acknowledged receipt of the Lottery's letter of intent and signed the related quotes. Thirty (30) 2025 Ford Transit T150 Cargo Vans and two (2) 2025 Ford F150 4 x 4 Crew Cab Police Responder vehicles were placed on order, with arrival anticipated to start in November 2025.<sup>1</sup>

In order to fully secure the purchases at the listed rates and ensure timely delivery, the Lottery executed a purchase order on August 4<sup>th</sup>, 2025, in the amount of \$1,580,226.00 for thirty (30) 2025 Ford Transit T150 Cargo Vans.<sup>2</sup>

Lottery Regulation 8.6.2 requires that no contracts with an estimated value of \$250,000 or more may be executed without prior Commission approval. However, Lottery Regulation 8.6.6.A provides that if circumstances require work under a particular contract or contract amendment to commence prior to the next Commission meeting, the Director may authorize the execution of the amendment with notification to the Chair of the Commission and seek Commission ratification at the next opportunity.

### **RECOMMENDATION**

The Lottery recommends the Commission ratify the purchase order to procure thirty (30) 2025 Ford Transit T150 Cargo Vans for a total cost of \$1,580,226.00, in support of the Lottery's FY 25/26 Fleet Vehicle Replacement Plan.

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<sup>1</sup> The FY 25/26 Fleet Vehicle Replacement Plan also includes funding for the purchase of eight(8) sedans, which will likely be procured later this year.

<sup>2</sup> A separate PO was previously issued for the Ford F150s on July 30, 2025, in the amount of \$117,091.23.