



# COLLIN COUNTY

Public Works Department  
700 A. Wilmeth Road  
McKinney, Texas 75069  
www.collincountytx.gov  
972-548-3700 (Phone)  
972-548-3754 (Fax)

1 August 2022

TO Commissioners Court  
FROM Jon Kleinheksel ✕  
RE Vehicle and Equipment Procurement

The current environment has not been kind to forecast budgeting efforts. Prices for raw materials and finished goods change rapidly, thereby frustrating attempts to predict accurate costs for replacement budgets. The prices included with the FY23 schedule are our conjecture based on industry feedback.

Vendors have been reluctant to provide any firm (not-to-exceed) price quotes due to the fluctuating nature of the supply chain. We have been told repeatedly that the cost of steel has gone up over 225% since COVID began, and that it hasn't stopped there. As a general rule, we were told to add \$10k to the current price of light duty vehicles; \$15k on any vehicle that has any kind of bed/body attached, and 25% to heavy equipment prices such as motor graders, etc. We requested quotes from our vendors based on their anticipated pricing but they declined saying it was virtually impossible in this climate. As an example, *we are unable to secure firm quotes on anything purchased beyond 30 days.*

While we hope to avoid actual costs exceeding our budgetary figures, it is probable that we will experience some degree of this due to the turbulent pricing behavior.

Vendors have advised us that even after a Purchase Order is received and they have placed the order, suppliers are applying surcharges causing the vendor to request a price increase from the customer. In some cases, this has occurred more than once for the same purchase.

We have already witnessed this with the price changes for two Ford Police Responder F150s.