



TACIR INSIGHT

TENNESSEE ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS
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OVERCOMING VEHICLE SUPPLY CHAIN DISRUPTIONS AND LARGE COST INCREASES INVOLVES VARIOUS STRATEGIES IMPLEMENTED BY GOVERNMENTS

Background

Both state and local officials in Tennessee confirm that vehicle procurement delays are extensive, and vehicle costs have surged since the beginning of the COVID-19 pandemic in 2020. Recognizing these issues, at the January 2024 meeting, the commission directed staff to conduct a study of the challenges faced by state and local governments in acquiring vehicles, including fire trucks, salt trucks, and school buses, and assess the potential effects on public service delivery. The supply chain disruptions and rising costs are not unique to Tennessee and are largely beyond governments' control. Short of producing their own vehicles—a private EMS company based in Chattanooga has started buying transit vans and refitting them with necessary features to function as ambulances because it is faster and cheaper than ordering and waiting for chassis—governments will generally have to make do and adapt using the resources and strategies already available to them.

Findings and Recommendations

The commission finds there are several strategies that can be implemented without action by the General Assembly that government agencies can use to mitigate the challenges. They include

- establish vehicle maintenance and replacement plans,
- leverage fleet management software and global positioning systems (GPS),
- consider vehicle repair over replacement,
- prepare a contingency plan for vehicle leasing or renting,
- leverage financial incentives for vehicles,
- use the flexibility built into state purchasing laws,
- maintain flexibility with vehicle and specification selection, and
- use alternative vehicles and consolidate vehicle fleets.

Further, at the commission's June 2025 meeting, the members voted to send a letter to the Tennessee Department of Economic and Community Development requesting that it solicit, encourage, and, if necessary, incentivize manufacturers of rolling stock—in particular, fire trucks—to locate production facilities in the state.

See TACIR's full report at the following link for additional information: <https://www.tn.gov/tacir/tacir-publications.html>.