



Legislation Text

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Resolution to Approve the Purchase of Vehicles from Berger Chevrolet (Oakland County Bid - \$299,200.00)

The attached resolution authorizes the purchase of five 2017 Chevrolet Equinox SUV at \$19,576.00 each, three 2017 Chevrolet Equinox SUV (AWD) at \$21,618.00 each, one 2017 Chevrolet Express 3500 15 passenger van at \$28,637.00, one 2017 Chevrolet Silverado 1500LT 4x4 with Double Cab at \$30,332.00, one 2017 Chevrolet Express 2500 cargo van at \$23,833.00, one 2017 Chevrolet Colorado 4x4 with Extended Cab at \$27,840.00, and one 2017 Chevrolet Silverado 1500 4x4 with Double Cab at \$25,824.00 for a total of \$299,200.00 from Berger Chevrolet, Grand Rapids, Michigan.

The City's labor contracts with the Ann Arbor Police Officers Association and the Ann Arbor Police Supervisors require that vehicles used by their members will not be driven more than 80,000 miles or 6 years, whichever comes first.

The police detective vehicle listed on this resolution will replace a vehicle that will have reached the 80,000 miles' limit in the next year.

The Police Unit of the Safety Services Area requires that the fleet of detective vehicles consist of a variety of makes, models, and body styles. The fleet includes cars, pickups, and SUVs. To maintain the variety of vehicles needed in this operation, the Fleet and Facilities Unit develops a list of vehicles that were awarded a contract under one or more of the cooperative purchasing programs from the State of Michigan, Macomb County, and Oakland County. The list is given to the Police Department and their staff selects vehicles from the list that fit their needs. Although greenhouse gas emissions and fuel economy are major factors in the decision, maintaining a diverse fleet of detective vehicles is the overriding factor in choosing vehicles for this operation.

One of the primary objectives of the Fleet and Facilities Unit is to ensure that the City maintains a fleet that is reliable and affordable. One of the ways that we do this is by establishing a replacement schedule for each class of vehicle. This does not mean that once a vehicle hits the preset age that it is automatically replaced. When a vehicle comes up on the replacement schedule, we use a two-step evaluation process. The first step looks at five categories, including the vehicle's age, miles/hours of use, type of service, reliability, maintenance and repair cost. The second step consists of the Fleet Service Supervisor's review of the vehicle repair history and general condition. Each category has point values that are assigned as follows:

AGE - one point for each year the vehicle is in service

MILES/HOURS - one point for each 10,000 miles or 330 hours of service

TYPE of SERVICE - one point for light duty use to five points for severe duty use

RELIABILITY - average # of work orders per month (1 <.25, 2 =.25 to .50, 3 =.50 to .75, 4=.75 to 1, and 5 = over 1 per month)

MAINTENANCE COST - repair cost as a percentage of purchase price (1 = 20 to 40%, 2 = 40% to 60%, 3 = 60% to 80%, 4 = 80% to 100%, and 5 = Over 100%)

SUPERVISOR REVIEW - based on a review of work order history and the Supervisor's experience (1 = very good condition to 5 = very poor condition)

Vehicles with a total score of 22 or below are considered to be in good condition and are not scheduled for replacement. When the total score is between 23 and 27 the vehicle must have a Supervisor rating of 4 or 5 before qualifying for replacement. A vehicle with a total score of 28 and above still needs a Supervisor rating of 3 or above to qualify for replacement. By weighting the Supervisors score, we insure that vehicles that have been in service for a long time or that have had one exceeding high repair charge but are otherwise in very good condition, are not replaced.

The majority of the City's fleet usage is tracked by hours used instead of miles driven. By tracking hours, we get a more accurate assessment of the wear and tear the engine and drive train receive in the "stop and go" city environment. We estimate that city driving accounts for 90 to 95 percent of the hours put on City vehicles. Some older vehicles, which were not originally serviced by Fleet Services, were not equipped with hour-meters and only mileage information is available on these units.

Of the thirty-two light vehicles scheduled for evaluation this year, sixteen have met the requirements for replacement. Six of these vehicles are included in this resolution plus one vehicle assigned to the Police Department whose replacement is mandated by contract. There are six new vehicles included in this resolution that are being added to the City's fleet, three of which are for Fire Services Unit and were previously approved by Council in the adoption of the FY17 City budget.

The Water Treatment Plant Unit of the Public Services Area uses truck # 3293, a 2009 Chevrolet Colorado, for its maintenance operations. The mini pickup has been in service for 7 years and has 2,973 hours of operation. It averages 0.23 repair work orders per month and the cost of repairs has exceeded 110% of its purchase price. The Fleet Service Supervisor rated this vehicle a 4.

The Planning & Development Services Unit of the Community Services Area uses truck # 5222, a 2008 GMC Canyon, for transportation of its staff. The mini pickup has been in service for 8 years and has 3,542 hours of operation. It averages 0.22 repair work orders per month and the cost of repairs has exceeded 79% of its purchase price. The Fleet Service Supervisor rated this vehicle a 4. The Planning & Development Unit has requested that this vehicle be upgraded to a SUV vehicle to improve operator comfort. The purchase price of the SUV is actually lower than the purchase price of a replacement mini pickup and fuel economy is improved with the SUV.

The Planning & Development Services Unit of the Community Services Area uses truck # 5223, a 2009 GMC Canyon, for transportation of its staff. The mini pickup has been in service for 7 years and has 3,946 hours of operation. It averages 0.25 repair work orders per month and the cost of repairs has exceeded 64% of its purchase price. The Fleet Service Supervisor rated this vehicle a 4. The Planning & Development Unit has requested that this vehicle be upgraded to a SUV vehicle to improve operator comfort. The purchase price of the SUV is actually lower than the purchase price of a replacement mini pickup and fuel economy is improved with the SUV.

The Planning & Development Services Unit of the Community Services Area uses truck # 5224, a 2009 GMC Canyon, for transportation of its staff. The mini pickup has been in service for 7 years and has 2,959 hours of operation. It averages 0.21 repair work orders per month and the cost of repairs has exceeded 35% of its purchase price. The Fleet Service Supervisor rated this vehicle a 4. The Planning & Development Unit has requested that this vehicle be upgraded to a SUV vehicle to

improve operator comfort. The purchase price of the SUV is actually lower than the purchase price of a replacement mini pickup and fuel economy is improved with the SUV.

The Public Works Unit of the Public Services Area uses truck # 8269, a 2009 GMC Canyon, as a supervisor vehicle for its solid waste operations. The mini pickup has been in service for 7 years and has 4,251 hours of operation. It averages 0.35 repair work orders per month and the cost of repairs has exceeded 54% of purchase price. The Fleet Service Supervisor rated this vehicle a 4. The Public Works Unit has requested this vehicle be upgraded to a 4WD vehicle to improve travel safety and access to solid waste locations in the winter months such as downtown alleyways and residential locations for site inspections, incident report inspections and customer service issues. The \$5,020.00 cost to upgrade this vehicle to a 4WD will be funded from the FY 17 approved Public Works Solid Waste Operations and Maintenance Budget.

The Project Management Services Unit of the Public Services Area uses van # 9236, a 2007 Chevrolet Express, for its construction inspection operations. The cargo van has been in service for 9 years and has 6,727 hours of operation. It averages 0.24 repair work orders per month and the cost of repairs has exceeded 82% of its purchase price. The Fleet Service Supervisor rated this vehicle a 4.

New Vehicles - Budget Impacts

This resolution includes the purchase of six new vehicles that are not currently included in the Fleet Fund. Three Chevrolet Equinox (AWD) for the Fire Services Unit staff were previously approved by Council in the FY2017 Fire Services' General Fund Budget and the appropriate budget impacts have already been addressed.

The Planning & Development Services Unit of the Community Services Area has requested two additional Chevrolet Equinox to accommodate the increase in inspector positions on their staff. The budget impacts to the Planning & Development Construction Code Fund Budget for both vehicles will include the \$39,152.00 purchase price (FY2017), \$6,090.96 in replacement costs (annually), \$346.00 in fleet management costs (annually) and an estimated \$6,494.00 in work orders and fuel costs (annually).

The Parks & Recreation Services Unit of the Community Services Area has requested one additional Chevrolet Express 15 passenger van for their canoe livery operations. The demand on the liveries continues to grow as customer volumes have increased during the week as well as at high levels on the weekends. When all of the vans are in rotation, customers may wait in the shuttle line for over an hour to go between the liveries. These waits greatly impact the customers' overall experience and an additional van will reduce these waits. The budget impacts to the Parks & Recreation Services General Fund Budget for this vehicle will include the \$28,637.00 purchase price (FY2017), \$4,455.10 in replacement costs (annually), \$173.00 in fleet management costs (annually) and an estimated \$1,507.00 in work orders and fuel costs (annually).

This purchase follows the guidelines of the City's Green Fleet Policy to reduce the amount of fuel used and to pay a premium for "greener" vehicles if necessary.

The Fleet and Facilities Unit reviewed the bids of the Cooperative Purchasing Programs of the State of Michigan, Oakland County, and Macomb County. Berger Chevrolet was the lowest responsive

bidder to the Oakland County bid.

Adequate funds for these purchases have been budgeted in the Planning & Development Services' Construction Code Fund operations and maintenance budget, Parks & Recreation Services' General Fund operations and maintenance budget, Fire Services' General Fund operations and maintenance budget, and the Public Works Solid Waste Fund operations and maintenance budget and Fleet Services operations and maintenance budget for fiscal year 2017.

Berger Chevrolet complies with the requirements of the City's non-discrimination ordinances.

Prepared by: Matthew J. Kulhanek, Fleet & Facilities Manager

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, The Fleet and Facilities Unit needs to purchase replacement vehicles for the City's fleet;

Whereas, Berger Chevrolet, Grand Rapids MI, is the lowest responsive bidder to the Oakland County Cooperative Bid program; and

Whereas, Berger Chevrolet complies with the requirements of the City's Non-Discrimination Ordinances;

RESOLVED, That City Council approve the issuance of a purchase order to Berger Chevrolet for the purchase of five 2017 Chevrolet Equinox SUV at \$19,576.00 each, three 2017 Chevrolet Equinox SUV (AWD) at \$21,618.00 each, one 2017 Chevrolet Express 3500 15 passenger van at \$28,637.00, one 2017 Chevrolet Silverado 1500LT 4x4 with Double Cab at \$30,332.00, one 2017 Chevrolet Express 2500 cargo van at \$23,833.00, one 2017 Chevrolet Colorado 4x4 with Extended Cab at \$27,840.00, and one 2017 Chevrolet Silverado 1500 4x4 with Double Cab at \$25,824.00 for a total of \$299,200.00;

RESOLVED, That funds in the amount of \$161,537.00 for the purchase of the three Chevrolet Equinox, Chevrolet Silverado 1500LT 4x4 with Double Cab, Chevrolet Express 2500 cargo van, Chevrolet Colorado 4x4 with Extended Cab and Chevrolet Silverado 1500 4x4 with Double Cab come from the FY17 Fleet Services budget with funds to be available without regard to fiscal year;

RESOLVED, That funds in the amount of \$64,854.00 for the purchase of three Chevrolet Equinox (AWD) come from the FY17 Fire Services' General Fund operations and maintenance budget with funds to be available without regard to fiscal year;

RESOLVED, That funds in the amount of \$39,152.00 for the purchase of two Chevrolet Equinox come from the FY17 Planning & Development Construction Fund operation and maintenance budget with funds to be available without regard to fiscal year;

RESOLVED, That funds in the amount of \$28,637.00 for the purchase of the Chevrolet Express 15 passenger van come from the FY17 Parks & Recreation Services General Fund operations and maintenance budget with funds to be available without regard to fiscal year;

RESOLVED, That funds in the amount of \$5,020.00 for the upgrade of the Chevrolet Colorado come from the FY17 Solid Waste Fund budget with funds to be available without regard to fiscal year;

RESOLVED, That the vehicles being replaced (nos. 0204, 3293, 5222, 5223, 5224, 8269, and 9236) be sold at the next City vehicle auction held after the vehicles are removed from service; and

RESOLVED, That the City Administrator be authorized to take the necessary actions to implement this resolution.