



Legislation Text

File #: 22-1920, Version: 1

Resolution to Authorize the Purchase of Vehicles from Lunghamer Ford and to Appropriate \$40,295.00 in Funding from the General Fund Balance (State of Michigan MiDeal - \$538,721.00) **(8 Votes Required)**

The attached resolution authorizes the purchase of three 2023 Ford F-250 4x4 pickup trucks at \$49,390.00 each, one 2023 Ford F-450 4x2 pickup truck w/ dump body at \$80,050.00, one 2023 Ford F-450 4x4 pickup truck w/ service body and snow plow at \$99,782.00, one 2023 Ford F-450 4x4 pickup truck w/ service body and snow plow at \$101,172.00, and one 2023 Ford F-450 4x4 pickup truck w/ dump body, snow plow, and tailgate spreader at \$109,547.00 for a total of \$538,721.00 from Lunghamer Ford, Owosso, Michigan.

The City has experienced unprecedented vehicle price increases this year due to several factors outside of the City's control. Additionally, many of these vehicles have dump or service bodies that have also seen a significant increase in labor and materials costs. In most cases, the City Unit was able to address the shortfall in funding from their current operating budget. The Parks and Recreation General Fund budget was unable to absorb this cost and an appropriation from fund balance in the amount of \$40,295.00 is necessary.

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.

Of the seventy-three light vehicles scheduled for evaluation this year, twenty-four have met the scoring requirements for replacement. Of the twenty-four vehicles scheduled for replacement, seven of these vehicles are included in this resolution.

The Public Works Unit of the Public Services Area uses pickup #3295, a 2015 GMC 3500 4x4 w/ service body and snow plow for its utility's operations. The vehicle is used by the water utilities crew for the daily activities of overseeing maintenance and repairs of the City's underground water pipes. With the amount of equipment and materials carried in this truck, along with the increased frequency of large trailer towing, the department has requested that this truck chassis be increased to a F-450 chassis. This vehicle is also a plow truck and will be replaced by a gas-powered, 4x4 pickup truck. The purchase price of this vehicle includes the chassis, service body and plow.

The Public Works Unit of the Public Services Area uses pickup #4270, a 2016 Ford F-250 4x4, for its streets operations. The vehicle is used by streets crew for the daily activities of overseeing maintenance and repairs of the City's streets. This vehicle is also a plow truck and will be replaced by a gas-powered, 4x4 pickup truck. The purchase price of this vehicle is only for the truck and a plow will be added after the vehicle is delivered.

The Engineering Unit of the Public Services Area uses truck #4505, a 2013 Ford F-450 w/ dump body for its signs and signals operations. This vehicle is used by the signs and signals crew for the daily activities of overseeing maintenance and repairs of the City's signs and signals infrastructure. The size and use of this vehicle do not match up with any current manufacturer's electric vehicle offerings so it will be replaced with a gas-powered truck w/ dump body. The purchase price of this vehicle includes the chassis and dump body.

The Parks and Recreation Unit of the Community Services Area uses truck #6263, a 2016 Ford F-250 4x4 w/service body and snow plow for its park operations. The vehicle is used by parks crews to repair and maintain the City's parks buildings and infrastructure. With the amount of equipment and materials carried in this truck, along with the increased frequency of large trailer towing, the department has requested that this truck chassis be increased to a F-450 chassis. This vehicle is also a plow truck and will be replaced by a gas-powered, 4x4 pickup truck. The purchase price of this vehicle includes the chassis, service body and plow.

The Parks and Recreation Unit of the Community Services Area uses trucks #6268 and #6289, both 2016 Ford F-250 4x4 for its park operations. These vehicles are used by parks crews to tow trailers around with mowers on them to maintain park grounds and open spaces. These vehicles are also plow trucks and will be replaced by gas-powered, 4x4 pickup trucks. The purchase price of these vehicles is only for the trucks and plows will be added after the vehicles are delivered.

The Park Operations Unit of the Community Services Area uses truck #6527, a 2013 Ford F-450 4x2 w/ dump body, snow plow, and tailgate spreader for is park operations. The vehicle is used by parks

crews to repair and maintain the City's parks and open spaces landscaping. In the winter time this truck is used to plow and salt the City park's parking lots. Parks has requested that this truck be upgraded to a 4x4 as the existing 4x2 truck frequently gets stuck in the snow. Since this vehicle is a plow truck it will be replaced by a gas powered, 4x4 pickup truck. The purchase price of this vehicle includes the chassis, dump body, tailgate spreader and plow.

The Fleet and Facilities Unit reviewed the bids of the Cooperative Purchasing Programs of the State of Michigan, Oakland County, and Macomb County. Lunghamer Ford was the lowest responsive bidder to the State of Michigan MiDeal cooperative purchasing program (#071B7700180 and #180000001107) for pickup trucks.

Budget/Fiscal Impact: Adequate funding for the purchase of these vehicles is available in the FY23 Fleet Services Fund Operations and Maintenance budget, the FY23 Major Streets Fund (Public Works) Operations and Maintenance budget, FY23 Parks Maintenance and Capital Improvements Millage Fund Operations and Maintenance budget, and the FY23 General Fund Park Operations and Maintenance budget upon approval of the appropriation request from the General Fund Balance.

The owning department of each vehicle will be responsible for the Fleet replacement cost each year. This Fleet replacement cost covers the future cost of replacing the vehicles purchased under this resolution.

Green Fleet Policy: Commercially available electric pickup trucks are not currently able to be used to plow snow. After discussions with the primary manufacturers of electric pickups, they have stated that it may be several years before an electric pickup truck is available that has snow plowing capabilities.

The Green Fleet Committee approved the need for the replacement of these vehicles, that the proposed replacement is consistent with the Green Fleet Policy and recommended the approval of this resolution. The Sustainability and Innovations Manager has concurred with the actions of the Committee.

Prepared by: CJ Stegink, Fleet Supervisor
Matthew J. Kulhanek, Fleet and Facility Unit Manager

Reviewed by: John Fournier, Deputy City Administrator

Approved by: Milton Dohoney Jr., City Administrator

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

Whereas, Lunghamer Ford, Owosso, MI, is the lowest responsive bidder to the State of Michigan MiDeal program contracts #071B7700180 and #180000001107 for these replacement vehicles; and

Whereas, Lunghamer Ford complies with the requirements of the City's Conflict of Interest and Non-Discrimination Ordinances; and

Whereas, Adequate funding for the purchase of these vehicles is available in the FY23 Fleet Services Fund Operations and Maintenance budget, the FY23 Major Streets Fund (Public Works) Operations and Maintenance budget, FY23 Parks Maintenance and Capital Improvements Millage Fund Operations and Maintenance budget and the FY23 General Fund Park Operations and Maintenance budget upon approval of the appropriation request from the General Fund Balance;

RESOLVED, That City Council approve the issuance of a purchase order to Lunghamer Ford for the purchase of three 2023 Ford F-250 4x4 pickup trucks at \$49,390.00 each, one 2023 Ford F-450 4x2 pickup truck w/ dump body at \$80,050.00, one 2023 Ford F-450 4x4 pickup truck w/ service body and snow plow at \$99,782.00, one 2023 Ford F-450 4x4 pickup truck w/ service body and snow plow at \$101,172.00, and one 2023 Ford F-450 4x4 pickup truck w/ dump body, snow plow, and tailgate spreader at \$109,547.00 for a total of \$538,721.00;

RESOLVED, That funding in the amount of \$40,295.00 be appropriated from the General Fund balance to the FY23 General Fund Park Operations and Maintenance budget; thereby, increasing both the revenue and expenditure budgets;

RESOLVED, That funds for the purchase of these vehicles in the amount of \$417,422.00 comes from the FY2023 Fleet Services Fund Operations and Maintenance budget, in the amount of \$15,850.00 comes from the FY23 Major Streets (Public Works) Fund Operations and Maintenance budget, in the amount of \$65,154.00 comes from the FY23 Parks Maintenance and Capital Improvements Millage Fund Operations and Maintenance budget and in the amount of \$40,295.00 comes from the FY23 General Fund Park Operations and Maintenance budget with funds to be available without regard to fiscal year;

RESOLVED, That the vehicles being replaced (nos. 3295, 4270, 4505, 6263, 6268, 6289, 6527) be sold at the next City auction after the asset is removed from service; and

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