



Legislation Text

File #: 16-0265, **Version:** 1

Resolution to Approve the Purchase of Vehicles from Red Holman GMC (Oakland County Bid - \$71,654.00)

The attached resolution authorizes the purchase of two 2016 GMC Sierra 1500 pickup trucks with four wheel drive at \$24,072.00 each, and one 2016 GMC Sierra 1500 pickup truck with two wheel drive and an extended cab at \$23,510.00 for a total of \$71,654.00 from Red Holman GMC, Westland, Michigan.

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-six light vehicles scheduled for evaluation this year, nineteen have met the requirements for replacement. Three of these vehicles are included in this resolution.

The Field Operations Unit of the Public Services Area uses truck # 6282, a 2005 Chevrolet Colorado, in its forestry maintenance operations. The mini pickup has been in service for 10 years and has 3,919 hours of operation. It averages 0.44 repair work orders per month and the cost of repairs has exceeded 164% of its purchase price. The Fleet Service Supervisor rated this vehicle a 4.

The Field Operations Unit of the Public Services Area uses truck # 6293 a 2009 GMC Canyon, in its park maintenance operations. The mini pickup has been in service for 6 years and has 3,303 hours of operation. It averages 0.52 repair work orders per month and the cost of repairs has exceeded 150% of its purchase price. The Fleet Service Supervisor rated this vehicle a 4.

The Field Operations Unit of the Public Services Area uses truck # 8266 a 2005 Chevrolet Colorado, as a supervisor's vehicle in its forestry operations. The mini pickup has been in service for 10 years and has 3,473 hours of operation. It averages 0.23 repair work orders per month and the cost of repairs has exceeded 118% of its purchase price. The Fleet Service Supervisor rated this vehicle a 3.

These three mini pickup trucks are being replaced by ½ ton full size pickup trucks. The price for replacement mini pickups is greater than the cost of ½ ton full size pickup trucks and the mini pickup trucks currently available do not offer any additional operational benefits to the service unit.

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. Red Holman GMC was the lowest responsive bidder under the Oakland County bid.

Adequate funds for these purchases have been budgeted in the Fleet Services budget for fiscal year 2016

Red Holman GMC complies with the requirements of the City's non-discrimination ordinance.

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

Reviewed by: Craig Hupy, Public Services Administrator

Approved by: Tom Crawford, Interim City Administrator

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

Whereas, Red Holman GMC, Westland, MI, is the lowest responsive bidder under the Oakland County Cooperative Bid program; and

Whereas, Red Holman GMC complies with the requirements of the City's Non-Discrimination Ordinance;

RESOLVED, That City Council approve the issuance of a purchase order to Red Holman GMC for the purchase of two 2016 GMC Sierra 1500 pickup trucks with four wheel drive at \$24,072.00 each, and one 2016 GMC Sierra 1500 pickup truck with two wheel drive and an extended cab at \$23,510.00 for a total of \$71,654.00;

RESOLVED, That funds for the purchase of the three vehicles come from the FY16 Fleet Services

budget with funds to be available without regard to fiscal year;

RESOLVED, That the vehicles being replaced (nos. 6282, 6293, and 8266) 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.