



Legislation Text

File #: 21-1902, **Version:** 1

Resolution to Approve the Purchase of Vehicles from Signature Ford (Macomb County Cooperative Purchasing - \$97,112.00)

The attached resolution authorizes the purchase of one 2022 Ford E-Transit 350 Cargo Van at \$50,086.00 and one 2022 Ford E-Transit 350 Cargo Van at \$47,026.00 for a total of \$97,112.00 from Signature Ford, Owosso, Michigan. This resolution includes both police and non-police City vehicles. The E-Transit Van is a full sized, fully electric van that has an expected range of about 125 miles.

Police Vehicles: 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 vehicle listed on this resolution will replace a vehicle that will have reached the contractual limit in the next year.

Other City Vehicles: 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 thirty-one light vehicles scheduled for evaluation this year, five have met the scoring requirements for replacement. Of the five vehicles scheduled for replacement, one of these vehicles is included in this resolution.

The Engineering Unit of the Public Services Area uses van #9251, a 2013 Chevrolet Express 2500, for its private development inspection and engineering operations. This is one of eleven full sized vans utilized by the Engineering Unit. This replacement will allow us to evaluate the suitability of an all-electric van for this type of operation.

The Fleet and Facilities Unit reviewed the bids of the Cooperative Purchasing Programs of the State of Michigan, Oakland County, and Macomb County. Signature Ford was the lowest responsive bidder to the Macomb County bid (bid #21-18) for these vehicles. Ford has extended MY21 pricing for these MY22 vehicles due to the microchip shortage and long delivery times.

Signature Ford complies with the requirements of the City's Conflict of Interest and Non-Discrimination ordinances.

Budget/Fiscal Impact: Adequate funding for the purchase of these vehicles is available in the FY22 Fleet Services Fund Operations and Maintenance budget, the FY22 Project Management Fund Operations and Maintenance budget and the FY22 General Fund Police Department Operations and Maintenance budget.

The owning department of each electric vehicle will be responsible for the increased Fleet replacement cost each year. This Fleet replacement cost covers the future cost of replacing the vehicles purchased under this resolution. Fuel savings and reduced maintenance expenses will recoup some of this additional expense based on the usage of the vehicle.

Each vehicle will also require a Level 2 charger. The purchase and installation of the charging infrastructure is not part of this resolution and has been budgeted separately in the FY22 Fleet Services Operations and Maintenance budget.

Green Fleet Policy: On October 6, 2021, the Green Fleet Committee approved the need for the replacement of these vehicles, that the proposed replacements are 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: Matthew J. Kulhanek, Fleet & Facilities Manager

Reviewed by: John Fournier, Assistant City Administrator

Approved by: Milton Dohoney Jr., Interim City Administrator

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

Whereas, Signature Ford, Owosso, MI, is the lowest responsive bidder to the Macomb County Cooperative Bid program for these replacement vehicles; and

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

RESOLVED, That City Council approve the issuance of a purchase order to Signature Ford for the purchase of one 2022 Ford E-Transit 350 Cargo Van at \$50,086.00 and one 2022 Ford E-Transit 350 Cargo Van at \$47,026.00 for a total of \$97,112.00;

RESOLVED, That funds for the purchase of these vehicles in the amount of \$39,515.00 comes from the FY2022 Fleet Services budget, \$27,116.00 comes from the FY2022 Project Management Fund budget and in the amount of \$30,481.00 comes from the FY2022 General Fund Police Department budget with funds to be available without regard to fiscal year;

RESOLVED, That the vehicles being replaced (nos. 0324 and 9251) 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.