



Legislation Text

File #: 23-1774, Version: 1

Resolution to Authorize the Purchase of Seven Western Star Swap Loader Chassis with Underbody Snowplows and Eleven Swap Loader Bodies from D & K Truck Company and Appropriate Funding from the Stormwater Fund Balance (State of Michigan MiDeal - \$2,384,164.69) **(8 Votes Required)**

The attached resolution authorizes the purchase of two Western Star tandem axle swap loader chassis with underbody snow plows at \$318,543.77 each, three Western Star single axle swap loader chassis at \$251,049.51 each, two Western Star single axle swap loader chassis at \$244,681.46 each, two swap loader tandem axle dump bodies at \$39,344.55 each, two swap loader tandem axle spreader bodies at \$57,160.95 each, two swap loader tandem axle tanker bodies at \$42,324.05 each, two swap loader single axle dump bodies at \$35,309.60 each, and three swap loader single axle spreader bodies at \$52,095.80 each for a total of \$2,384,164.69 through the State of Michigan MiDeal cooperative purchasing program (#071B6600119) for use by the Public Works Unit of the Public Services Area. The Street Department's share of the total cost is \$1,894,182.57 and Utilities is responsible for the remaining \$489,982.12.

The Public Works Unit currently has an aging dump truck fleet and has requested a new style chassis platform called a swap loader which allows the truck to be significantly more versatile. A swap loader chassis allows a driver to change the type of body on the back of the truck within minutes. Five of the proposed trucks are for the Street Department and they will have use of dump bodies, spreader bodies, and tanker bodies. The two remaining trucks are for Utilities and will be outfitted with dump bodies. These Utility dump trucks are also outfitted with swap loader chassis and material spreader control equipment allowing them to receive the other bodies from Streets as needed. If a Streets dump truck is out of service during a snow event, these trucks can be used in their place. The Public Works Unit has wanted to increase the application of liquid pretreatment before snow events but has been unable to do so with our current fleet of vehicles. Using the tanker bodies, Streets can pretreat the roadway before a snow event if needed. Then, within minutes, swap the tanker body for a spreader body and prepare for salting or sanding as needed using the same truck. Public Works has also requested that their two tandem axle trucks be outfitted with wing plows which would allow them to clear streets quicker.

Another advantage of this system will be having the chassis and bodies on separate replacement cycles. Our current dump truck configuration has resulted in more chassis issues and deterioration than the body. The new configuration is expected to allow us to use the bodies much longer than the chassis. Staff anticipates the bodies will last the full life of the chassis and the full life of a replacement chassis. These chassis will be on a 10-year replacement cycle and the bodies will be on a 20-year replacement cycle.

These new trucks will replace Utilities trucks #3550, a 2013 Freightliner 5 yard dump with 5,288 hours and #3551, a 2013 Freightliner 5 yard dump with 5,051 hours and Street Department trucks #4550 a 2013 Freightliner 5 yard dump with 7,661 hours, #4551 a 2013 Freightliner 5 yard dump with 7,098 hours, #4552 a 2013 Freightliner 5 yard dump with 6,143 hours, #4553 a 2013 Freightliner 5

yard dump with 6,450 hours and #4554 a 2013 Freightliner 5 yard dump with 5,879 hours. With an expected 18-24 months for delivery of the new trucks, these existing trucks will be well beyond their useful life when removed from service. The materials spreaders of the five Street Department trucks, assets #4680, #4681, #4682, #4683 and #4684, will also be removed from service and sold. Front plows for these trucks will be retained and used on the new dump trucks.

Five of these trucks are used by Public Works staff to maintain City streets throughout the year and to plow and salt in the winter. The other two trucks are used by Public Works staff to maintain the City's utility infrastructure and to help plow snow during major winter storms.

The Western Star chassis' being used for these trucks, and bodies which are supplied by Monroe may be subject to a materials surcharge. These surcharges are more common on heavy vehicles because of the significant lead time to procure materials in this current economic climate and the amounts of materials used in fabricating these vehicles. Staff are requesting that a contingency in the amount of \$70,000.00, \$10,000.00 per chassis, be approved to cover any surcharge.

D & K Truck Company, Lansing, MI, is the lowest responsive bidder to the State of Michigan MiDeal cooperative purchasing program for heavy truck cab and chassis.

D & K Truck Company complies with the requirements of the City's Conflict of Interest and Non-Discrimination ordinances.

Budget/Fiscal Impact: Due to price increases and equipment upgrades, the funding for the replacement of the five Street Department dump trucks and the snow maintenance equipment being added to the Utility trucks (\$70,000.00) was significantly less than the purchase price of the five new chassis and nine new bodies proposed in this agenda item. The deficit, in the amount \$717,256.57, will be funded by using replacement funds collected for the four remaining Streets dump trucks that are scheduled for replacement in FY25 (\$815,195.00). Finance and Fleet Services agree with this action and the Major Streets Fund will need to budget the amount of \$1.4M to replace these four remaining trucks in FY25, resulting in a significant impact on the fund. In addition, the procurement of this equipment results in increased Major Street Fund annual equipment replacement costs of \$50,740.00 for 10 years and an increase of \$20,265.00 for the remaining 10 years of the swap loader body replacement schedule.

The replacement costs paid to Fleet Services for the remaining two chassis and two bodies to be used by the Stormwater Utility crew were short in the amount of \$92,902.12 and the FY24 Stormwater Fund Operations and Maintenance budget is unable to cover this deficit, requiring an appropriation from the Stormwater Fund unobligated fund balance.

Adequate funding for the purchase of this equipment is available in the FY24 Fleet Services Fund Operations and Maintenance budget and the FY24 Stormwater budget upon approval of the appropriation request from the Stormwater Fund unobligated fund balance.

Green Fleet Policy: The Green Fleet Committee approved the need for the replacement of this equipment, 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.

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Matthew J. Kulhanek, Fleet & Facilities 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 equipment for the City's fleet;

Whereas, Competitive bids were received by the State of Michigan MiDeal cooperative purchasing program and D & K Truck Company of Lansing, MI was awarded contract (#071B6600119) for heavy truck cab and chassis;

Whereas, D & K Truck Company complies with the requirements of the City's Conflict of Interest and Non-Discrimination Ordinances; and

Whereas, Adequate funds for the purchase of these new swap loader chassis and bodies are available in the approved FY2024 Fleet Services Fund Operations and Maintenance budget and in the approved FY2024 Stormwater Fund Operations and Maintenance budget upon approval of the appropriation request from the Stormwater Fund fund balance;

RESOLVED, That City Council approve the issuance of a purchase order to D & K Truck Company for the purchase of seven Westen Star swap loader chassis with underbody snowplows and eleven swap loader bodies in the amount of \$2,384,164.69 and authorize a chassis and body surcharge contingency of \$70,000.00 to cover potential price increases;

RESOLVED, That funding in the amount of \$92,902.12 be appropriated from the Stormwater Fund unobligated fund balance to the FY2024 Stormwater budget as a transfer to the Fleet Services Fund; thereby, increasing both the revenue and expenditure budgets;

RESOLVED, That funds for the purchase of these new swap loader chassis' and bodies in the amount of \$2,384,164.69 comes from the FY2024 Fleet Services Fund Operations and Maintenance budget with funds to be available without regard to fiscal year;

RESOLVED, That the equipment being replaced (nos. 3550, 3551, 4550, 4551, 4552, 4553, 4554, 4680, 4681, 4682, 4683, and 4684) be sold at the next City vehicle auction after the equipment is removed from service; and

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