



Legislation Details (With Text)

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**Title:** Resolution to Approve the Purchase of One Crossover/SUV and One Regular Cab Four Wheel Drive Cab and Chassis from Red Holman Pontiac-GMC (Oakland County and the State of Michigan Bids \$45,552.00)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Red Holman Bid Tab.pdf

Date	Ver.	Action By	Action	Result
5/3/2010	1	City Council	Approved	Pass

Resolution to Approve the Purchase of One Crossover/SUV and One Regular Cab Four Wheel Drive Cab and Chassis from Red Holman Pontiac-GMC (Oakland County and the State of Michigan Bids \$45,552.00)

The attached resolution authorizes the purchase of one 2010 GMC Acadia at \$25,891.00 and one 2010 GMC Sierra 2500 four wheel drive cab and chassis at \$19,661.00 for the total amount of \$45,552.00 from Red Holman Pontiac-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 six category evaluation which includes the vehicle’s age, miles/hours of use, type of service, reliability, maintenance and repair cost, and general condition. A point score is given in each category and any vehicle with a total score over 23 is then brought in for inspection by a team of Fleet mechanics.

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.

The inspection process ensures that the mechanics look for required and potential repairs. Required repairs are items that have excessive wear and must be replaced if the vehicle is retained in service. Potential repairs are items that our experience tells us will likely fail within the next year of use. Potential repairs may include items such as starters, alternators, water pumps, shocks and struts that have not already been replaced.

Of the fifty-four light vehicles scheduled for evaluation this year, thirty-one had total scores high

enough to qualify them for the mechanic's inspection. Based on these inspections, we are recommending that two vehicles be replaced. In addition we are requesting approval to replace eleven vehicles assigned to the Police Department. Police vehicle replacement is mandated by contract and therefore they are not run through the evaluation process. Of the thirteen total vehicles recommended to be replaced, two are listed on this resolution.

The results of our evaluation and the Fleet mechanic's inspections are as follows:

The Field Operations Unit of the Public Services Area uses van 6238, a 1998 GMC Savana 3500 Cut-a-way van/service body. We are requesting it be replaced with a four wheel drive 2010 GMC Sierra 2500 cab and chassis to which a utility body will be added later. This vehicle will be utilized to transport tools and supplies to service Recreation Facilities and Park amenities during non-winter months. The added four wheel drive dimension will allow this vehicle to be utilized in the winter to transport the new Toro PolarTrac to facilitate snow removal. This van has been in service for 11.5 years and has 5650 hours of operation. The total cost of repairs performed on this vehicle exceeds 97 percent of the original purchase price. Over the last two years this van has been in for service 23 times of which 7 repairs (30.4 %) have been for breakdowns. The general condition of this vehicle was rated 'very poor' by the Supervisor in Fleet Services. Mechanically, this truck needs front and rear brakes, wheel cylinders, and an intake manifold gasket for an estimated cost of \$2,855.00. It has the potential to need replacement of the wheel seals for an estimated cost of \$475.00 making a total estimated cost of \$3,330.00. By upgrading this truck we will have better traction and it will reduce our need to repair and restore our turf as the two wheel drive vehicles lose traction in the spring and during high soil moisture content periods. It will also allow us the ability to haul our snow removal equipment and materials into our parks which have varied terrain, slope and varied turf conditions while minimizing the impact the vehicle has on the turf. Lastly, during inclement weather the vehicle being replaced was unable to effectively transport staff and equipment throughout the City. The requested replacement vehicle will have greater flexibility of use and will relieve the burden of borrowing vehicles from other areas which limits their productivity. Once the cab and chassis is delivered we have a utility body installed at estimated cost of \$10,250.00 bring the total cost of this unit to \$29,911.00. Which is a reduction in cost when compared to a direct replacement of the vehicle at \$37,800.00.

The crossover/SUV will replace an existing police detective SUV that will have reached its 6-year age limit in the next year. 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 Unit of the Safety Services Area requires that the fleet of detective vehicles be made up of a variety of makes, models, and body styles. The fleet includes cars, pickups, and SUVs. The retention of an SUV in this case was based on the need for a vehicle that sits up high to improve visual sightlines, provides a good base for surveillance activities and is equipped with dark tinted windows for undercover work. Although green house gas emissions and fuel economy is a major factor in the decision, maintaining a diverse fleet of detective vehicles is the over riding factor in choosing a vehicle for this operation.

Emissions information on the cab & chassis truck is not available. We have compared emissions information from the [www.fueleconomy.gov](http://www.fueleconomy.gov) <<http://www.fueleconomy.gov>> web site for vehicles with the same engines but in a 1/2 ton size. This showed that both the GMC and Ford engines in the cab and chassis are compatible with E-85 fuel and produce the same amount of greenhouse gas with the

same fuel economy when using E-85. Although the purchase price of the crossover/SUV from Red Holman Pontiac/GMC is \$2,313 higher than the unit offered from Signature Ford it is estimated to save \$2,076 in fuel cost over its expected life making the cost difference \$237. More importantly, the GMC will produce 11.1 tons less of greenhouse gas emissions than the Ford.

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 Pontiac-GMC, Westland, MI, was the lowest responsive bidder under the Oakland County and State of Michigan Bids (see attached tabulation sheet).

Red Holman Pontiac-GMC received Human Rights approval on February 25, 2010.

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

Reviewed by: Sue F. McCormick, Public Services Administrator

Approved by: Roger W. Fraser, City Administrator

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

Whereas, Competitive bids were received by the State of Michigan, Oakland County, and Macomb County's Cooperative Bid programs;

Whereas, Red Holman Pontiac-GMC, Westland, MI, is the lowest responsive bidder under the Oakland County Bid for four wheel drive cab and chassis trucks;

Whereas, Red Holman Pontiac-GMC, Westland, MI, is the lowest responsive bidder under the State of Michigan Bid for crossover/SUV; and

Whereas, Red Holman Pontiac-GMC received Human Rights approval on February 25, 2010;

RESOLVED, That City Council approve the issuance of a purchase order to Red Holman Pontiac-GMC in the amount of \$45,552.00 for the purchase of one 2010 GMC Acadia and one 2010 GMC Sierra 2500 four wheel drive cab and chassis;

RESOLVED, That funds for these purchases come from the 2010 Motor Equipment budget, with funds to be available without regard to fiscal year;

RESOLVED, That the vehicles being replaced (nos. 0146 and 6238) be sold at the next City vehicle auction; and

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