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Title: Resolution to Approve the Purchase of Vehicles from Varsity Ford (Macomb County Bid - \$222,009.00)

Sponsors:

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Attachments: 1. Varsity Ford Bid Tab 2016.pdf

Date	Ver.	Action By	Action	Result
3/21/2016	1	City Council	Approved	Pass

Resolution to Approve the Purchase of Vehicles from Varsity Ford (Macomb County Bid - \$222,009.00)

The attached resolution authorizes the purchase of four 2016 Ford F-250 ¾ ton pickup trucks with four wheel drive at \$26,275.00 each, two 2016 Ford Transit 250 Cargo Vans with 130" wheelbase at \$24,219.00 each, one 2016 Ford Transit 250 Cargo Van at \$22,959.00, one 2016 Ford Transit 250 Cargo Van at \$26,820.00, and one 2016 Ford Fusion sedan at \$18,692.00 for a total of \$222,009.00 from Varsity Ford, Ann Arbor, 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. Seven of these vehicles are included in this resolution.

The Fire Department uses car # 1013, a 2007 Chevrolet Malibu, for transportation for its Fire Prevention staff. The car has been in service for 8 years and has 3,073 hours of operation. It averages 0.17 repair work orders per month and the cost of repairs has exceeded 76% of its purchase price. The Fleet Service Supervisor rated this vehicle a 4.

The Fleet & Facilities Unit of the Public Services Area uses truck # 1266, a 2007 Dodge Ram 2500, for snow removal and transportation of staff and equipment between the various buildings it maintains. The truck has been in service for 8 years and has 2,288 hours of operation. It averages 0.38 repair work orders per month and the cost of repairs has exceeded 136% of its purchase price. The Fleet Service Supervisor rated this vehicle a 4.

The Veteran's Park Operation of the Community Services Area uses truck # 6207, a 2006 GMC Sierra K2500, for snow plowing and administrative use in its parks and recreation operations. The truck has been in service for 9 years and has 3,073 hours of operation. It averages 0.22 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 4.

The Field Operations Unit of the Public Services Area uses truck # 6291, a 2009 Ford F-250, in its park maintenance operation. The truck has been in service for 6 years and has 4,791 hours of operation. It averages 0.46 repair work orders per month and the cost of repairs has exceeded 76% of its purchase price. The Fleet Service Supervisor rated this vehicle a 3.

The Field Operations Unit of the Public Services Area uses truck # 6292, a 2009 Ford F-250, in its park maintenance operation. The truck has been in service for 6 years and has 3,713 hours of operation. It averages 0.65 repair work orders per month and the cost of repairs has exceeded 145% of its purchase price. The Fleet Service Supervisor rated this vehicle a 3.

The Project Management Unit of the Public Services Area uses cargo van # 9233, a 2007 Chevrolet Express Cargo Van, for its traffic engineering operations. The van has been in service for 8 years and has 2,218 hours of operation. It averages 0.17 repair work orders per month and the cost of repairs has exceeded 49% of its purchase price. The Fleet Service Supervisor rated this vehicle a 4.

The Project Management Unit of the Public Services Area uses cargo van # 9234, a 2007 Chevrolet

Express Cargo Van, for its traffic engineering operations. The van has been in service for 8 years and has 4,757 hours of operation. It averages 0.15 repair work orders per month and the cost of repairs has exceeded 48% of its purchase price. The Fleet Service Supervisor rated this vehicle a 4.

The Ford Fusion being purchased in this resolution was not the lowest priced vehicle available, though the price difference was not significant. It was selected because it came with a standard backup camera which was not an available option on the comparable vehicles listed in the cooperative purchasing programs. The City prefers to include this safety feature on our new vehicles, when financially practical, in an effort to reduce vehicle accidents.

Two vans listed on this resolution will replace two police vehicles that have reached the 80,000 miles or the 6 years in service 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 prisoner transport van will require the installation of a specialized insert in the cargo area that will be purchased separately by Fleet Services at an estimated cost of \$10,000.00 that will bring the total vehicle cost to approximately \$32,959.00. The crime scene investigation van will require the installation of specialized cabinetry/shelving in the cargo area that will be purchased separately by Fleet Services at an estimated cost of \$5,000.00 that will bring the total vehicle cost to approximately \$31,820.00.

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. Varsity Ford was the lowest responsive bidder under the Macomb County bid.

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

Varsity Ford 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 Area 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, Varsity Ford, Ann Arbor, MI, is the lowest responsive bidder under the Macomb County Cooperative Bid program;

Whereas, Varsity Ford complies with the requirements of the City's Non-Discrimination Ordinance; and

Whereas, That funds for the purchase of the vehicles is available in the approved FY16 Fleet Services operations and maintenance budget with funds to be available without regard to fiscal year;

RESOLVED, That City Council approve the issuance of a purchase order for four 2016 Ford F-250 ¾ ton pickup trucks with four wheel drive at \$26,275.00 each, two 2016 Ford Transit 250 Cargo Vans

with 130" wheelbase at \$24,219.00 each, one 2016 Ford Transit 250 Cargo Van at \$22,959.00, one 2016 Ford Transit 250 Cargo Van at \$26,820.00, and one 2016 Ford Fusion sedan at \$18,692.00 for a total of \$222,009.00;

RESOLVED, That the vehicles being replaced (nos. 0308, 0323, 1013, 1266, 6207, 6291, 6292, 9233 and 9234) 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.