



Legislation Details (With Text)

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Title: Resolution to Approve the Purchase of Three Fifteen Passenger Vans and Four 4X4 Pickup Trucks from Red Holman GMC (State of Michigan \$158,116.20)

Sponsors:

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Attachments: 1. Red Holman Bid Tab.pdf

Date	Ver.	Action By	Action	Result
3/4/2013	1	City Council	Approved	Pass

Resolution to Approve the Purchase of Three Fifteen Passenger Vans and Four 4X4 Pickup Trucks from Red Holman GMC (State of Michigan \$158,116.20)

The attached resolution authorizes the purchase of three 2013 GMC Savana Fifteen Passenger Vans at \$24,376.00 each and four 2013 GMC Sierra 2500 4X4 Pickup Trucks at \$21,247.05 each for a total of \$158,116.20 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 this is done 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, a two step evaluation process is used. 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 a point value that is 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, the 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, a more accurate assessment of the wear and tear the engine and drive train receive in the "stop and go" city environment is determined. Staff estimates that city driving accounts for 90 to 95 percent of the hours put on City vehicles. Some older vehicles, not originally serviced by Fleet Services, were not equipped with hour-meters and only mileage information is available on these units.

Of the eighty-two light vehicles scheduled for evaluation this year, forty-one have met the requirements for replacement. Seven of these vehicles are included on this resolution.

The Canoe Livery uses van # 6227, a 1997 Ford E-350, to transport supplies, staff and customers. The van has been in service for over 15 years and has 3,735 hours of use. It averages 0.24 repair work orders per month and the cost of repairs has exceeded 61% of its purchase price. The Fleet Service Supervisor rated this vehicle a 5.

The Canoe Livery uses van # 6228, a 2000 Chevrolet Express, to transport supplies, staff and customers. The van has been in service for over 12 years and has 3,075 hours of use. It averages 0.28 repair work orders per month and the cost of repairs has exceeded 112% of its purchase price. The Fleet Service Supervisor rated this vehicle a 3.

The Canoe Livery uses van # 6229, a 2002 Dodge, to transport supplies, staff and customers. The van has been in service for over 10 years and has 2,167 hours of use. It averages 0.22 repair work orders per month and the cost of repairs has exceeded 60% of its purchase price. The Fleet Service Supervisor rated this vehicle a 5.

The Field Operations Unit of the Public Services Area uses truck # 6273, a 2001 Ford F-250 4X4 pickup, for its Forestry group to transport staff, haul and tow equipment, and snow plowing. The truck has been in service for 11 years and has 8,740 hours of operation. It averages 0.68 repair work orders per month and the cost of repairs has exceeded 174% of its purchase price. The Fleet Service Supervisor rated this vehicle a 4.

The Field Operations Unit of the Public Service Area uses truck # 6277, a 2002 GMC Sierra 2500 4X4 pickup, for its Park Maintenance group to transport staff, haul and tow equipment, and snow plowing. The truck has been in service for 10 years and has 6,488 hours of operation. It averages 0.46 repair work orders per month and the cost of repairs has exceeded 134% of its purchase price. The Fleet Service Supervisor rated this vehicle a 4.

The Field Operations Unit of the Public Service Area uses truck # 6279, a 2003 Ford F-250 4X4 pickup, for its Park Maintenance group to transport staff, haul and tow equipment, and snow plowing. The truck has been in service for 9 years and has 6,069 hours of operation. It averages 0.61 repair work orders per month and the cost of repairs has exceeded 187% of its purchase price. The Fleet Service Supervisor rated this vehicle a 4.

The Field Operations Unit of the Public Service Area uses truck # 6280, a 2003 Ford F-250 4X4 pickup, for its Parks Maintenance group to transport staff, haul and tow equipment, and snow plowing. The truck has been in service for 9 years and has 6,661 hours of operation. It averages 0.71

repair work orders per month and the cost of repairs has exceeded 187% of its purchase price. The Fleet Service Supervisor rated this vehicle a 4.

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 to State of Michigan.

Adequate funds for these purchases have been included in the Motor Equipment budget for fiscal year 2013.

Red Holman GMC received Human Rights approval on February 14, 2013.

Prepared by: Thomas A Gibbons, Financial Analyst Fleet & Facility Unit

Reviewed by: Matthew J. Kulhanek, Fleet & Facilities Manager
Craig Hupy, Public Services Area Administrator

Approved by: Steven D. Powers, 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 to the State of Michigan's Cooperative Bid program; and

Whereas, Red Holman GMC received Human Rights approval on February 14, 2013;

RESOLVED, That City Council approve the issuance of a purchase order to Red Holman GMC for the purchase of three 2013 GMC Savana Fifteen Passenger Vans at \$24,376.00 each and four 2013 GMC Sierra 2500 4X4 Pickup Trucks at \$21,247.05 each for a total amount of \$158,116.20;

RESOLVED, That funds for the purchase come from the 2013 Motor Equipment budget with funds to be available without regard to fiscal year;

RESOLVED, That the vehicles being replaced (nos. 6227, 6228, 6229, 6273, 6277, 6279, and 6280) 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.