



## Legislation Text

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**File #:** 16-0267, **Version:** 1

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Resolution to Approve the Purchase of a Vehicle from Signature Ford (Macomb County Bid - \$15,169.00)

The attached resolution authorizes the purchase of one 2016 Ford Focus sedan in the amount of \$15,169.00 from Signature Ford, Owosso, Michigan.

The individual value of this purchase would not normally require City Council consideration. The vehicle should have been included in a similar vehicle purchase request for Signature Ford that City Council considered at their March 10, 2016 meeting. That request to Council only included police patrol vehicles which had an earlier order cut-off date, prior to the final selection of this replacement vehicle.

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. One of these vehicles is included in this resolution.

The Planning & Development Services Unit of the Community Services Area uses car # 5111, a 2007 Ford Focus, for transportation of its staff. The vehicle has been in service for 9 years and has 3,637 hours of operation. It averages 0.22 repair work orders per month and the cost of repairs has exceeded 116% of its purchase price. The Fleet Service Supervisor rated this vehicle a 3.

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. Signature Ford was the lowest responsive bidder to the Macomb County bid.

Adequate funds for this purchase have been budgeted in the Fleet Services budget for fiscal year 2016

Signature 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 a replacement vehicle for the City's fleet;

Whereas, Signature Ford, Owosso MI, is the lowest responsive bidder to the Macomb County Cooperative Bid program;

Whereas, Signature Ford complies with the requirements of the City's non-discrimination ordinance; and

Whereas, That funds for the purchase of this vehicle is available in the 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 to Signature Ford for the purchase of one 2016 Ford Focus sedan in the amount of \$15,169.00;

RESOLVED, That the vehicle being replaced (no. 5111) be sold at the next City vehicle auction held after the vehicle is removed from service; and

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