



Legislation Text

File #: 08-0071, **Version:** 1

Resolution to Approve the Purchase of Five Mini Pickup Trucks and One Heavy Duty Pickup Cab and Chassis from Red Holman Pontiac-GMC (Oakland County Bid \$95,012.00)

The attached resolution authorizes the purchase of four 2008 GMC Canyon work mini pickup trucks at \$13,205.00 each, one 2008 GMC Canyon SLT mini pickup truck at \$21,140.00, and one 2008 GMC 3500HD four wheel drive cab and chassis at \$21,052.00 for the total amount of \$95,012.00 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 (with the exception of certain police vehicles). When a vehicle comes up on the replacement schedule, we use a six category evaluation, which includes the vehicles 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 insures 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 forty-nine light vehicles scheduled for evaluation this year, thirty-nine had total scores high enough to qualify them for the mechanic's inspection. Based on the inspection we are recommending a total of twelve vehicles be replaced. Four of the twelve vehicles recommended for replacement are listed on this resolution along with one pickup that replaces a vehicle totaled out in an accident and one pickup replacing a police detective vehicle. Police vehicle replacement is mandated by contract and therefore they are not subject to the evaluation process.

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

The Community Standards Unit of the Safety Services Area uses car number 4156 for its compliance officers. This vehicle has been in service 8 years with 3890 hours of operation. The total cost of repairs performed on this vehicle exceeds 60 percent of the original purchase price and it has averaged 0.58 repairs per month over its life. Mechanically this car needs a water pump, both headlamp covers, front struts, and will need the engine valve lifters replaced. It has the potential to need replacement of the air conditioning compressor, steel brake lines, radiator hoses, and the

thermostat. These repairs come to an estimated cost of \$3150.00. Due to operational changes in the Community Standards Unit, they have requested that this car be replaced with a mini pickup.

The Planning and Development Services Unit of the Community Services Area use the mini pickups numbered 5211 and 5216 for building inspections. Truck number 5211 has been in service 7 years with 4600 hours of operation. The total cost of repairs performed on this vehicle exceeds 48 percent of the original purchase price and it has averaged 0.59 repairs per month over its life. Mechanically this truck needs a power steering pump, front struts, rear shocks, center console lid, and it also has an oil leak at the engine crankshaft seal. It has the potential to need replacement of engine oil lines, water pump, and heater blower motor. These repairs come to an estimated cost of \$4110.00.

Truck number 5216 was involved in an accident and the estimated costs of repairs exceed the Kelly Blue Book trade-in value of the vehicle.

The Project Management Unit of the Public Services Area uses van number 9243 for construction site inspections. The van has been in services for 7 years and has 3050 hours of operation. The total cost of repairs performed on this vehicle exceeds 37 percent of the original purchase price and it has averaged 0.40 repairs per month over its life. Mechanically this van needs a water pump, drivers seat, steering gear box, both engine mounts, tires, and it also has oil leaks at both the front and rear engine crankshaft seals. It has the potential to need replacement of belts and a battery. These repairs come to an estimated cost of \$3525.00. In part to an effort to reduce fuel consumption and green house gas emissions, the Project Management Unit is requesting that this cargo van be replaced with a mini pickup.

The Water Treatment Unit of the Public Services Area uses truck number 3261 as a service vehicle for its various locations. This truck has been in service for 7 years and has 40,400 mile of use. Mechanically this truck needs wheel bearings, wheel seals, a power steering pump and a complete engine. The estimated cost of these repairs is \$6,500.00. Due to an increase in the amount of tools and supplies carried on the vehicle we are recommending that it be upgraded to a one ton chassis. The cost of the cab and chassis is \$21,052.00. Once the unit is received a utility body will be installed for an estimated additional cost of \$6,000.00 bring the total replacement cost to \$27,052.00.

The Canyon SLT mini pickup will replace a police detective vehicle 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, body styles, and drives. The fleet includes cars, pickups, and SUV. Because of the need to maintain the mix of body styles and drives in the fleet, the GMC Canyon SLT was the sole vehicle on the Cooperative Purchasing Programs that met our requirements.

Emissions information from the www.fueleconomy.gov web site for mini pick ups show that the GMC Canyon produce the least amount of greenhouse gas and the best fuel economy of all the vehicles in their category bid under the cooperative purchasing programs used by the City. Although the Ranger mini pickup offered by Varsity Ford has a purchase price that is \$1,157.00 below the price of the Canyon, the Ranger will produce 1.7 tons more greenhouse gas

emission (gge) and cost an addition \$435.00 more in fuel per year. Over the 7 year expected life of the trucks, the Ranger will produce 11.9 tons more gge and cost an additional \$3,045.00 in fuel at today's prices.

The Green Fleet Committee has reviewed and recommended this purchase per the goals and 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 of Westland, MI, was the lowest responsive bidder under the Oakland County Bid. (See attached tabulation sheet)

Red Holman Pontiac-GMC received Human Rights approval on January 25, 2008.

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, Sufficient funds are available in the approved FY08 Motor Equipment budget;

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 to Oakland County; and

Whereas, Red Holman Pontiac-GMC received Human Rights approval on January 25, 2008;

RESOLVED, That City Council approve the issuance of a purchase order to Red Holman Pontiac-GMC in the amount of \$95,012.00 for the purchase of four 2008 GMC Canyon work mini pickups, one 2008 GMC Canyon SLT mini pickup, and one 2008 GMC 3500HD cab and chassis from the 2008 Motor Equipment budget and the 2008 Water Supply System Operating budget;

RESOLVED, That the vehicles being replaced (nos. 0201, 4156, 3261, 5211, 5216, and 9243) be sold at the next City vehicle auction; and

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