



Legislation Text

File #: 12-1371, **Version:** 1

Resolution to Approve the Purchase of Two Police Motorcycles from Vehicle City Harley Davidson (\$28,000.00)

The attached resolution authorizes the purchase of two 2011 Harley Davidson model FLHP for use by the Safety Services Area, for a total of \$28,000.00.

These bikes are part of a group of four police motorcycles leased by the City in April, 2011. Under the lease agreement, Vehicle City Harley Davidson of Flint, MI supplied four motorcycles for two years at a cost of \$1,800.00 per motorcycle, per year and included an option allowing the motorcycles to be purchased at the end of the lease for a set price of \$14,500.00 per motorcycle. The two motorcycles in this resolution were damaged in two separate rider training accidents. The estimated repair costs for the damages to each motorcycle are \$14,052.89 and \$13,346.07 respectively.

Vehicle City Harley Davidson has agreed to waive the second year lease payments on both motorcycles and reduce the purchase price specified in the agreement, by \$500.00 per motorcycle making the purchase price \$14,000.00 per motorcycle for a total of \$28,000.00.

The motorcycles will be returned to the City and will be sold as scrap. With the anticipated revenue from the scrap sale and the waiver of the second year of the lease payments, it is better financially to purchase the two motorcycles and sell them for scrap than to pay for repairs and try to return them at the end of the lease.

Funding for this purchase will come from the Police Department's FY13 operating budget. The proceeds from the sale of the damaged motorcycles and funding from the Insurance Fund will be used to partially offset the expense.

Vehicle City Harley Davidson received Human Rights approval on October 23, 2012.

Prepared by: Thomas A. Gibbons, Financial Analyst-Fleet and Facility Unit

Reviewed by: Matthew J. Kulhanek, Manager Fleet and Facilities Unit

John Seto, Safety Services Administrator

Craig Hupy, Public Services Administrator

Approved by: Steven D. Powers, City Administrator

Whereas, The City leased four motorcycles from Vehicle City Harley Davidson for use by the Police Department;

Whereas, Two motorcycles were damaged beyond economical repair;

Whereas, The lease agreement allows the City to purchase the leased motorcycles for \$14,000.00 each at the end of the agreement;

Whereas, Adequate funds for this purchase are available in the Police Department's FY13 operations budget;

Whereas, The proceeds from the sale of the scraped motorcycles will be used to offset the expense;

Whereas, The Insurance Fund will cover the remaining expense less the standard deductible; and

Whereas, Vehicle City Harley Davidson received Human Rights approval on October 23, 2012;

RESOLVED, That City Council approve the issuance of a purchase order to Vehicle City Harley Davidson for the purchase of two 2011 Harley Davidson model FLHP motorcycles for \$14,000.00 each for a total amount of \$28,000.00;

RESOLVED, That the two damaged motorcycles be sold at auction; and

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