



## Legislation Text

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**File #:** 16-1798, **Version:** 1

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Resolution to Approve the Purchase of Vehicles from Signature Ford (Macomb County Bid - \$283,969.00) and to Appropriate Funds (\$23,040.00) **(8 Votes Required)**

The attached resolution authorizes the purchase of three 2017 Ford F-450 Dual Rear Wheel 4x4 pickup trucks (cab & chassis) at \$35,291.00 each, two 2017 Ford F-250 pickup trucks at \$24,040.00 each, two 2017 Ford F-150 Extended Cab pickup trucks at \$23,040.00 each, one 2017 Ford F-250 4x4 (box deleted) pickup truck at \$25,943.00, one 2017 Ford F-350 pickup truck at \$25,267.00, one 2017 Ford F-450 Dual Rear Wheel pickup truck at \$32,726.00 for a total of \$283,969.00 from Signature Ford, Owosso, 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.

Of the thirty-two light vehicles scheduled for evaluation this year, sixteen have met the requirements

for replacement. Nine of these vehicles are included in this resolution. There is one new vehicle included in this resolution that is being added to the City's fleet.

The Public Works Unit of the Public Services Area uses truck # 2290, a 2006 Ford F-350, for its storm water utility maintenance operations. The truck has been in service for 9 years and has 4,445 hours of operation. It averages 0.27 repair work orders per month and the cost of repairs has exceeded 109% of its purchase price. The Fleet Service Supervisor rated this vehicle a 3.

The Public Works Unit of the Public Services Area uses truck # 2292, a 2009 Ford F-250, for its sewer utility maintenance operations. The truck has been in service for 7 years and has 5,976 hours of operation. It averages 0.34 repair work orders per month and the cost of repairs has exceeded 88% of its purchase price. The Fleet Service Supervisor rated this vehicle a 3.

The Public Works Unit of the Public Services Area uses truck # 2506, a 2008 Ford F-450 dump, for its storm water utility maintenance operations. The truck has been in service for 8 years and has 3,283 hours of operation. It averages 0.37 repair work orders per month and the cost of repairs has exceeded 63% of its purchase price. The Fleet Service Supervisor rated this vehicle a 5.

The Public Works Unit of the Public Services Area uses truck # 2507, a 2008 Ford F-450 dump, for its water utility maintenance operations. The truck has been in service for 8 years and has 4,513 hours of operation. It averages 0.61 repair work orders per month and the cost of repairs has exceeded 90% of its purchase price. The Fleet Service Supervisor rated this vehicle a 5.

The Water Treatment Plant Unit of the Public Services Area uses truck # 3269, a 2008 GMC 3500, for its water plant maintenance operations. The truck has been in service for 8 years and has 3,203 hours of operation. It averages 0.21 repair work orders per month and the cost of repairs has exceeded 75% of its purchase price. The Fleet Service Supervisor rated this vehicle a 4.

The Public Works Unit of the Public Services Area uses truck # 3287, a 2008 Ford F-450, for its water utility maintenance operations. The truck has been in service for 8 years and has 8,701 hours of operation. It averages 0.33 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 Public Works Unit of the Public Services Area uses truck # 4247, a 2009 Ford F-250, for its signs and signals maintenance operations. The truck has been in service for 7 years and has 4,826 hours of operation. It averages 0.38 repair work orders per month and the cost of repairs has exceeded 84% of its purchase price. The Fleet Service Supervisor rated this vehicle a 3.

The Safety Services Unit of the City Administrative Services Area uses truck # 4280, a 2005 Chevrolet Colorado, for transporting its staff. The truck has been in service for 11 years and has 1,788 hours of operation. It averages 0.19 repair work orders per month and the cost of repairs has exceeded 108% of its purchase price. The Fleet Service Supervisor rated this vehicle a 4.

The Public Works Unit of the Public Services Area uses truck # 4504, a 2009 Ford F-350 dump, for its street maintenance operations. The truck has been in service for 7 years and has 8,158 hours of operation. It averages 0.63 repair work orders per month and the cost of repairs has exceeded 140% of its purchase price. The Fleet Service Supervisor rated this vehicle a 4.

New Vehicle - Budget Impacts

This resolution includes the purchase of one new vehicle that is not currently included in the Fleet Fund. The Parks & Recreation Services Unit of the Community Services Area has requested one new pickup truck for their GIVE365/Adopt-A-Park program. Since its creation in 2011, the GIVE365 program has grown exponentially. While the number of adopters and events have grown, the demand of the parks and playground require additional staff and resources. The addition of the new pickup truck will help GIVE365 staff the flexibility and opportunity to meet the growing demands of the program. In recent years, GIVE has borrowed or rented any vehicle available to get staff and supplies to the ever increasing number of events and work days. In 2016, GIVE365 facilitated over 6,300 volunteer hours up from 2,900 in 2012.

The budget impacts to the Parks & Recreation Services Park Maintenance and Capital Improvements Millage budget for this vehicle will include the \$24,040.00 purchase prices (from fund balance, FY2017), and ongoing annual operating costs of \$3,584.37 in replacement costs, \$173.00 in fleet management costs and an estimated \$7,715.00 in work orders and fuel costs, to be budgeted in future Parks & Recreation Services Park Maintenance and Capital Improvements Millage operating budgets.

An appropriation from the Park Maintenance and Capital Improvements Millage Fund's fund balance to the FY2017 Parks & Recreation Services Park Maintenance and Capital Improvements annual operating budget in the amount of \$23,040.00 is requested to cover the purchase price of the pickup truck. The ongoing fleet costs associated with the truck will be paid for out of future Parks & Recreation Services Park Maintenance and Capital Improvements Millage operating budget.

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 these purchases are available in the Park and Maintenance Capital Improvements Millage Fund fund balance and the Fleet Services budget for fiscal year 2017.

Signature Ford complies with the requirements of the City's non-discrimination ordinances.

Prepared by: Matthew J. Kulhanek, Fleet & Facilities Manager

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, The Fleet and Facilities Unit needs to purchase replacement vehicles for the City's fleet;

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

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

RESOLVED, That City Council approve the issuance of a purchase order to Signature Ford for the purchase of three 2017 Ford F-450 Dual Rear Wheel 4x4 pickup trucks (cab & chassis) at

\$35,291.00 each, two 2017 Ford F-250 pickup trucks at \$24,040.00 each, two 2017 Ford F-150 Extended Cab pickup trucks at \$23,040.00 each, one 2017 Ford F-250 4x4 (box deleted) pickup truck at \$25,943.00, one 2017 Ford F-350 pickup truck at \$25,267.00, one 2017 Ford F-450 Dual Rear Wheel pickup truck at \$32,726.00 for a total of \$283,969.00;

RESOLVED, That funds in the amount of \$260,929.00 for the purchase of three 2017 Ford F-450 Dual Rear Wheel 4x4 pickup trucks (cab & chassis), two 2017 Ford F-250 pickup trucks, one 2017 Ford F-150 Extended Cab pickup truck, one 2017 Ford F-250 4x4 (box deleted) pickup truck, one 2017 Ford F-350 pickup truck, and one 2017 Ford F-450 Dual Rear Wheel pickup truck come from the FY 2017 Fleet Services budget with funds to be available without regard to fiscal year;

RESOLVED, That the City Council approve an appropriation of \$23,040.00 from the Park Maintenance and Capital Improvements Millage Fund fund balance to the FY 2017 Park Maintenance and Capital Improvements Millage fund budget, with the funds to be available without regard to fiscal year;

RESOLVED, That the funds in the amount of \$23,040.00 that are appropriated into the FY 2017 Park Maintenance and Capital Improvements Millage fund budget be used for the purchase of one 2017 Ford F-150 Extended Cab pickup truck;

RESOLVED, That the vehicles being replaced (nos. 2290, 2292, 2506, 2507, 3269, 3287, 4247, 4280 and 4504) 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.