



Legislation Text

File #: 24-0999, Version: 1

Resolution to Authorize the Purchase of Three Vehicles from Lunghamer Ford and Appropriate Revenue for the FY2024 Fleet Services Fund Operations and Maintenance Budget (State of Michigan MiDeal - \$254,967.00) **(8 Votes Required)**

The attached resolution authorizes the purchase of one 2024 Ford F-350 4x2 w/ stake bed body and liftgate at \$71,360.00, one 2024 Ford F-250 4x4 w/ service body at \$81,195.00, and one 2024 Ford F-450 4x4 w/ service body and snowplow at \$102,412.00 for a total cost of \$254,967.00 from Lunghamer Ford, Owosso, Michigan, through the State of Michigan MIDeal cooperative purchasing program (contract #071B7700180).

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 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 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 fifty-eight light vehicles scheduled for evaluation this year, twenty-five have met the scoring requirements for replacement. Of the twenty-five vehicles scheduled for replacement, three of these vehicles are included in this resolution.

The Public Works Unit of the Public Services Area uses pickup #2296, a 2016 Ford F-250 4x4 w/ service body and snowplow for its utility's operations. The vehicle is used by the sewer utilities crew for the daily activities of overseeing maintenance and repairs of the City's underground sewer system. With the amount of equipment and materials carried in this truck, along with the increased frequency of large trailer towing, the department has requested that this truck chassis be increased to a F-450 chassis. The size and use of this vehicle do not match up with any current manufacturer's electric vehicle offerings so it will be replaced with a gas powered 4x4 pickup truck. The purchase price of this vehicle includes the chassis, service body and plow.

The Parks and Recreation Unit of the Community Services Area uses truck #6262, a 2016 Ford F-250 4x2 w/ service body. The vehicle is used by parks crews to repair and maintain the City's parks buildings and infrastructure. The Parks and Recreation department has made a request that this truck be replaced with a 4x4 truck so that a snowplow can be added at a later date. The size and use of this vehicle do not match up with any current manufacturer's electric vehicle offerings so it will be replaced with a gas powered, 4x4 pickup truck w/ service body. The purchase price of this vehicle includes the chassis and service body.

The Public Works Unit of the Public Services Area uses pickup #8270, a 2015 GMC Seirra 1500 4x2, for its solid waste operations. The vehicle is used by the solid waste crew for maintaining and delivering dumpsters and carts most of the time having to pull a trailer around to get the job done. Public Works has requested this truck be replaced with a stake bed truck, which requires a ¾ ton chassis, with liftgate to eliminate the need for trailering and make dumpster deliveries more efficient. The size and use of this vehicle do not match up with any current manufacturer's electric vehicle offerings so it will be replaced with a gas-powered truck w/ stake bed and liftgate. The purchase price of this vehicle includes the chassis, stake bed body, and liftgate.

Lunghamer Ford complies with the requirements of the City's Conflict of Interest and Non-Discrimination ordinances.

Budget/Fiscal Impact: Vehicle purchase prices have increased significantly over the last few years due to inflationary pressures and vehicle supply issues. As such, replacement funding targets made many years ago do not cover the costs of these replacement vehicles and supplemental funding from the owning department is necessary. One-time transfers to the FY24 Fleet Services Fund Operations and Maintenance budget were made from the Sewage Disposal Fund (\$54,847.00), from the Solid Waste Fund (\$10,503.00), and from the Parks Maintenance and Capital Improvements Millage Fund Operations and Maintenance budget from the funds listed above. With appropriation of these revenues to the expenditure budget, adequate funding for the purchase of these vehicles is available in the FY24 Fleet Services Fund Operations and Maintenance budget.

The owning department of each vehicle will be responsible for the Fleet replacement cost each year. This Fleet replacement cost covers the future cost of replacing the vehicles purchased under this resolution.

Green Fleet Policy: The Green Fleet Committee approved the need for the replacement of these vehicles, that the proposed replacement is consistent with the Green Fleet Policy and recommended the approval of this resolution. The Sustainability and Innovations Manager has concurred with the actions of the Committee.

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Reviewed by: John Fournier, Deputy City Administrator

Approved by: Milton Dohoney Jr., City Administrator

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

Whereas, Lunghamer Ford, Owosso, MI, is the lowest responsive bidder to the State of Michigan MiDeal cooperative purchasing program for these replacement vehicles;

Whereas, Lunghamer Ford complies with the requirements of the City's Conflict of Interest and Non-Discrimination ordinances; and

Whereas, Upon appropriation of the capital contributions made for these vehicles, adequate funding for the purchase is available in the FY2024 Fleet Services Fund Operations and Maintenance budget;

RESOLVED, That City Council approve the issuance of a purchase order to Lunghamer Ford for the purchase of one 2024 Ford F-350 4x2 w/ stake bed body and liftgate at \$71,360.00, one 2024 Ford F-250 4x4 w/ service body at \$81,195.00, and one 2024 Ford F-450 4x4 w/ service body and snowplow at \$102,412.00 for a total of \$254,967.00;

RESOLVED, That \$90,066.00 be appropriated to the FY2024 Fleet Services Fund expenditure budget with the source of revenue being capital contributions received for the purchase of these vehicles;

RESOLVED, That funds for the purchase of these vehicles in the amount of \$254,967.00 comes from the FY2024 Fleet Services Fund Operations and Maintenance budget with funds to be available without regard to fiscal year;

RESOLVED, That the vehicles being replaced (nos. 2296 w/plow #2453, 6262, and 8270) be sold at the next City auction after the asset is removed from service; and

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