



## Legislation Text

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**File #:** 19-2124, **Version:** 1

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Resolution to Approve the Purchase of Vehicles from Berger Chevrolet (Oakland County Bid, MiDeal Bid - \$211,865.00)

The attached resolution authorizes the purchase of five 2020 Chevrolet Bolt electric vehicles at \$32,779.00 each, and two 2019 Chevrolet Express 2500 cargo vans at \$23,985.00 each for a total of \$211,865.00 from Berger Chevrolet, Grand Rapids, 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 forty light vehicles scheduled for evaluation this year, fourteen have met the scoring requirements for replacement. Eight additional fully depreciated vehicles that were evaluated this year were identified for replacement with either fully electric (EV) or plug-in electric hybrid (PHEV) vehicles. Of the total of twenty-two vehicles scheduled for replacement, seven of these vehicles are

included in this resolution.

The Public Works Unit of the Public Services Area uses van # 3226, a 2013 Chevrolet Express 2500 cargo van, for its water utility maintenance operations. The truck has been in service for 7 years and has 10,194 hours of operation. It averages 0.41 repair work orders per month and the cost of repairs has exceeded 142% of its purchase price.

The Public Works Unit of the Public Services Area uses van # 3227, a 2013 Chevrolet Express 2500 cargo van, for its water utility maintenance operations. The truck has been in service for 7 years and has 6,638 hours of operation. It averages 0.40 repair work orders per month and the cost of repairs has exceeded 147% of its purchase price.

The following vehicles were evaluated for replacement this year but did not meet the scoring requirements. To be consistent with multiple environmental efforts approved by City Council, these vehicles were identified as excellent candidates for replacement with fully electric vehicles.

The Fleet & Facilities Unit of the City Administration Services Area uses vehicle # 1101, a 2013 Ford Focus sedan as a Motor Pool vehicle based at City Hall.

The Planning and Development Services Unit of the Community Services Area uses vehicles # 5114, # 5225, # 5226, and # 5227 in their construction and building inspection operations throughout the City. Vehicle # 5114 is a 2012 Ford Fusion and the remaining three vehicles are 2013 Chevrolet Equinox.

The Chevrolet Bolt is an all-electric plug-in vehicle with approximately 240 miles of range on a single charge. Based on expected usage, the vehicle will be able to handle the normal driving activities of a work shift and can fully recharge overnight using a Level 2 (240v) charger.

The Fleet and Facilities Unit reviewed the bids of the Cooperative Purchasing Programs of the State of Michigan, Oakland County, and Macomb County. Berger Chevrolet was the lowest responsive bidder to the Oakland County bid (contract #005218) for vans and to the State of Michigan MiDeal cooperative purchasing program (MiDeal contract #071B7700177) for the Chevrolet Bolt.

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

**Budget Impact:** Electric vehicles are significantly more expensive than their internal combustion engine equivalents. The Fleet Services Fund has collected \$111,262.00 for the replacement of these five small sedans and crossover vehicles. Supplemental funding for the purchase of the electric vehicles is available in the amount of \$38,620.00 in the FY20 Construction Fund budget and in the amount of \$14,013.00 in the FY20 Sustainability and Innovations County Mental Health Millage Fund budget.

The owning department of each electric vehicle will be responsible for the increased Fleet replacement cost each year. This Fleet replacement cost covers the future cost of replacing the vehicles purchased under this resolution. Fuel savings and reduced maintenance expenses will recoup some of this additional expense based on the usage of the vehicle.

Each vehicle will also require a Level 2 charger at an estimated cost of \$5,000.00 per vehicle. The purchase and installation of this charging infrastructure is not part of this resolution and will be funded separately through the Fleet Services Fund and Construction Fund.

Green Fleet Policy: On November 8, 2019, the Green Fleet Committee approved the need for the replacement of these vehicles, that the proposed replacements are 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.

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

Reviewed by: John Fournier, Assistant City 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, Berger Chevrolet, Grand Rapids MI, is the lowest responsive bidder to the Oakland County cooperative bid program and the State of Michigan MiDeal cooperative purchasing program; and

Whereas, Berger Chevrolet complies with the requirements of the City's Conflict of Interest and Non-Discrimination Ordinances;

RESOLVED, That City Council approve the issuance of a purchase order to Berger Chevrolet for the purchase of five 2020 Chevrolet Bolt electric vehicles at \$32,779.00 each, and two 2019 Chevrolet Express 2500 cargo vans at \$23,985.00 each for a total of \$211,865.00;

RESOLVED, That funds for the purchase of these vehicles in the amount of \$159,232.00 come from the FY 2020 Fleet Services Fund budget, \$14,013.00 from the Sustainability and Innovations County Mental Health Millage Fund budget and \$38,620.00 from the FY 2020 Construction Fund budget with funds to be available without regard to fiscal year;

RESOLVED, That the vehicles being replaced (nos. 1101, 3226, 3227, 5114, 5225, 5226 and 5227) 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.