



Legislation Text

File #: 19-2331, **Version:** 1

Resolution to Approve the Purchase of a Vehicle from LaFontaine Chrysler Dodge (MiDeal Bid - \$39,772.00)

The attached resolution authorizes the purchase of one 2020 Chrysler Pacifica plug-in hybrid electric minivan at \$39,772.00 from LaFontaine Chrysler Dodge, Lansing, 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 hybrid electric (PHEV) vehicles. Of the total of twenty-two vehicles scheduled for replacement, one of these vehicles is included in this resolution.

The following vehicle was evaluated for replacement this year but did not meet the scoring requirements. To be consistent with multiple environmental efforts approved by City Council, this vehicle was identified as an excellent candidate for replacement with a plug-in hybrid electric vehicle.

The Fleet & Facilities Unit of the City Administration Services Area uses vehicle # 1102, a 2013 Ford Focus sedan as a Motor Pool vehicle based at City Hall. By replacing this small sedan with a PHEV minivan, the City will also be able to eliminate the System Planning minivan from the City's fleet, a two for one reduction. Having a larger vehicle for staff also addresses a common need when traveling with a large contingent or transporting materials.

The Chrysler Pacifica is a plug-in hybrid electric vehicle that also has a gasoline engine for use when the battery power is exhausted. The Pacifica's all electric range is rated at 33 miles per charge which should be adequate for most local trips by the vehicle.

The Fleet and Facilities Unit reviewed the bids of the Cooperative Purchasing Programs of the State of Michigan, Oakland County, and Macomb County. LaFontaine Chrysler Dodge was the lowest responsive bidder to the State of Michigan MiDeal cooperative purchasing program (MiDeal contract #071B7700183) for the Chrysler Pacifica plug-in electric hybrid.

LaFontaine Chrysler Dodge complies with the requirements of the City's Conflict of Interest and Non-Discrimination ordinances.

Budget and Fiscal Impact: Electric vehicles are significantly more expensive than their internal combustion engine equivalents. The Fleet Services Fund has collected \$18,766.00 for the replacement of this small sedan. Supplemental funding for the purchase of the PHEV is available in the amount of \$21,006.00 in the FY20 Sustainability and Innovations County Mental Health Millage Fund operations and maintenance budget.

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

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

Green Fleet Policy: On November 8, 2019, the Green Fleet Committee approved the need for the replacement of this vehicle, 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.

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 a replacement vehicle for the City's fleet;

Whereas, LaFontaine Chrysler Dodge, Lansing MI, is the lowest responsive bidder to the State of Michigan MiDeal cooperative purchasing program; and

Whereas, LaFontaine Chrysler Dodge complies with the requirements of the City's Conflict of Interest and Non-Discrimination Ordinances; and

RESOLVED, That City Council approve the issuance of a purchase order to LaFontaine Chrysler Dodge for the purchase of one 2020 Chrysler Pacifica plug-in hybrid electric minivan at a total cost of \$39,772.00;

RESOLVED, That funds for the purchase of this vehicle in the amount of \$18,766.00 come from the FY 20 Fleet Services Fund budget and \$21,006.00 from the Sustainability and Innovations County Mental Health Millage Fund operations and maintenance budget with funds to be available without regard to fiscal year;

RESOLVED, That the vehicle being replaced (no. 1102) be sold at the next City vehicle auction held after the vehicle is removed from service; and

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