



## Legislation Text

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File #: 23-1492, Version: 1

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Resolution to Authorize the Purchase of Vehicles from Lunghamer Ford and to Appropriate Funding from the General Fund Balance, Sewage Disposal System Fund Balance, Water Supply System Fund Balance, Major Street Fund Balance, Stormwater Fund Balance, Project Management Fund Balance, (State of Michigan MIDeal - \$853,825.00) **(8 Votes Required)**

The attached resolution authorizes the purchase of one 2023 Ford Mustang Mach-E AWD with extended range battery at \$59,530.00, one 2023 Ford F-150 Lightning with extended range battery at \$58,397.00, two 2023 Ford F-150 Lightnings at \$44,726.00 each, eight 2023 Ford F-150 Lightnings at \$43,656.00 each, one 2023 Ford F-150 Lightning at \$43,511.00, one 2024 Ford Transit 350 15 passenger van at \$54,177.00, two 2024 Ford F-250 4x4 Pick-up Trucks at \$49,490.00 each, one 2024 Ford F-250 4x2 pickup truck at \$46,323.00, and one 2024 Ford Expedition SSV at \$54,207.00 for a total of \$853,825.00 through the State of Michigan MIDeal cooperative purchasing program (contract #071B7700180) from Lunghamer Ford, Owosso, Michigan.

The City continues to experience significant vehicle price increases due to inflationary pressures and vehicle supply issues. As such, the Fire Department General Fund budget, the Parks and Recreation General Fund budget, the Sewage Disposal System Fund budget, the Water Supply System Fund budget, the Major Street Fund budget, the Stormwater Fund budget, the Project Management Fund budget were all unable to absorb this cost and appropriations from each fund balance will be necessary. The appropriation from the Fire Department General fund balance will be \$36,798.00, the appropriation from the Parks and Recreation General Fund balance will be \$18,903.00, the appropriation from the Sewage Disposal System Fund balance will be \$42,674.00, the appropriation from the Water Supply System Fund balance will be \$29,185.00, the appropriation from the Major Street Fund balance will be \$33,145.00, the appropriation from the Stormwater Fund balance will be \$8,976.00, and the appropriation from the Project Management Fund balance will be \$80,219.00.

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 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, eighteen of these vehicles are included in this resolution.

The Fire Department of the Safety Services Area uses vehicle #1058, a 2016 Chevy Equinox AWD for its Assistant Fire Chief. This vehicle is a take home vehicle as the Assistant Fire Chief may have to respond to emergency calls on off hours. This vehicle will be replaced with an all-electric Mustang Mach-E AWD with extended range battery.

The Public Works Unit of the Public Services Area uses pickup #2280, a 2017 Ford F-250 4x2 for its utility's operations. The vehicle is used by the sewer utilities crew for the daily activities of overseeing maintenance and inspections of the City's sewer system. This truck also routinely pulls a trailer with an easement machine on it. Because this vehicle pulls a heavy trailer this truck will be replaced with an all-electric Ford F-150 Lightning with an extended range battery and tow package.

The Public Works Unit of the Public Services Area uses pickups #3261 a 2015 GMC Sierra 1500 4x2 and #3297 a 2016 Ford F-250 4x2, for its utility's operations. The vehicles are used by the water utilities crew for the daily activities of overseeing maintenance and repairs of the City's underground water pipes. Both vehicles will be replaced with all-electric Ford F-150 Lightnings.

The Engineering Unit of the Public Services Area uses vans #4261, a 2016 Ford Transit 250, #9250 a 2013 Chevy Express 2500, #9252 a 2013 Chevy Express 2500, #9253 a 2013 Chevy Express 2500, #9255 a 2013 Chevy Express 2500, #9256 a 2016 Ford Transit 250 for its engineering operations. These vehicles are used by engineers and surveyors for their daily operations of overseeing and planning of projects going on within the City. These vehicles will all be replaced with all-electric Ford F-150 Lightnings.

The Park Operations Unit of the Community Services Area uses truck #6299, a 2013 Ford F-150 4x2 pickup truck for its Give 365 office. This vehicle is used by Give 365 staff members to help support the many outreach activities they hold in the City's parks every year. This vehicle will be replaced with an all-electric Ford F-150 Lightning.

The Public Works Unit of the Public Services Area uses pickup #8251, a 2017 Chevy Colorado 4x4 for its solid waste operations. This vehicle is used by the solid waste supervisor to oversee the daily activities for solid waste, compost, and recycle collection. This vehicle will be replaced with an all-electric Ford F-150 Lightning.

The Public Works Unit of the Public Services Area uses pickup #8271, a 2016 GMC Sierra 1500 4x2 pickup truck for its forestry operations. This vehicle is used by the forestry supervisor to oversee the daily activities for the forestry department. This vehicle will be replaced with an all-electric Ford F-150 Lightning.

The Police Department of the Safety Services Area uses vehicle #0362, a 2017 Chevy Tahoe PPV for its police operations. This vehicle is used by police officers to patrol the City streets. This vehicle also carries scales and other equipment to enforce road weight laws, because this equipment will not fit into a standard patrol car set up this vehicle will be replaced with a 2024 Ford Expedition. Currently there are no hybrids or full electric patrol vehicles available in this size SUV to purchase.

The Public Works Unit of the Public Services Area uses pickup #2294, a 2016 Ford F-250 4x4 for its utility's operations. The vehicle is used by the sewer utilities crew for the daily activities of overseeing maintenance and inspections of the City's sewer system. This vehicle is also a plow truck, the size and use of this vehicle do not match up with any current manufacturer's electric vehicle offerings and will be replaced by a gas powered 2024 Ford F-250 4x4 pickup truck. The purchase price of this vehicle is only for the truck and the plow will be added after the vehicle is delivered.

The Engineering Unit of the Public Services Area uses pickup #4271, a 2016 Ford F-250 4x2 with a dump body insert for its signs and signals operations. This vehicle is used by the sign and signals crew for the daily activities of overseeing maintenance and repairs of the City's signs and signals infrastructure. 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 2024 Ford F-250 4x2 pickup truck with a dump body insert. The purchase price of this vehicle is only for the truck and the dump body insert will be added after the vehicle is delivered.

The Parks and Recreation Unit of the Community Services Area uses van #6221, a 2013 GMC Savana 3500 15 passenger van for its park's operation. This van is used by livery crews to transport customers around and trailer canoes back to the canoe launch. 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 2024 Ford Transit 350 15 passenger van.

The Parks and Recreation Unit of the Community Services Area uses pickup #6264, a 2016 Ford F-250 4x4 for its park's operation. This vehicle is used by parks crews to tow trailers around with mowers on them to maintain park grounds and open spaces. This vehicle is also a plow truck and a salt spreader is installed in the winter. The size and use of this vehicle do not match up with any current manufacturer's electric vehicle offerings so this vehicle will be replaced by gas powered 2024 Ford F-250 4x4 pickup truck. The purchase price of this vehicle is only for the truck and the plow and spreader will be added after the vehicle is delivered.

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

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

Budget/Fiscal Impact: Adequate funding for the purchase of these vehicles is available in the FY24 Fleet Services Fund Operations and Maintenance budget, the FY24 Fire Department General Fund Operations and Maintenance budget, the FY24 General Fund Park Operations and Maintenance budget, the FY24 Sewage Disposal System budget, the FY24 Water Supply System budget, the FY24 Major Streets budget, the FY24 Stormwater budget, and the FY24 Project Management budget upon approval of the appropriation request from the General Fund fund balance, the Sewage Disposal Fund fund balance, the Water Supply System Fund fund balance, the Major Streets Fund fund balance, the Stormwater Fund fund balance, and the Project Management Fund fund balance.

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: Thirteen of the eighteen vehicles on this resolution will be replaced with all-electric replacements. Unfortunately, there are still a number of vehicle types the City needs that cannot be addressed by current commercially available electric vehicles. The City's biggest concern is for vehicles used to plow snow. After discussions with the primary manufacturers of electric pickups, they have stated that it may be several years before an electric pickup truck is available that has snow plowing capabilities.

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: CJ Stegink, Fleet Supervisor  
Matthew J. Kulhanek, Fleet & Facilities Unit Manager

Reviewed by: John Fournier, Deputy City Administrator

Approved by: Milton Dohoney Jr., City Administrator

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

Whereas, Competitive bids were received by the State of Michigan MIDeal cooperative purchasing program and Lunghamer Ford, Owosso, Michigan, was awarded contract #071B7700180 for these vehicles;

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

Whereas, Adequate funding for the purchase of these vehicles is available in the FY2024 Fleet Services Fund Operations and Maintenance budget, the FY2024 Fire Department General Fund Operations and Maintenance budget, the FY2024 General Fund Park Operations and Maintenance budget, the FY2024 Sewage Disposal System budget, the FY2024 Water Supply System budget, the FY2024 Major Streets budget, the FY2024 Stormwater budget, and the FY2024 Project Management budget upon approval of the appropriation request from the General Fund fund balance, the Sewage

Disposal Fund fund balance, the Water Supply System Fund fund balance, the Major Streets Fund fund balance, the Stormwater Fund fund balance, and the Project Management Fund fund balance;

RESOLVED, That City Council approve the issuance of a purchase order to Lunghamer Ford for the purchase of one 2023 Ford Mustang Mach-E AWD with extended range battery at \$59,530.00, one 2023 Ford F-150 Lightning with extended range battery at \$58,397.00, two 2023 Ford F-150 Lightnings at \$44,726.00 each, eight 2023 Ford F-150 Lightnings at \$43,656.00 each, one 2023 Ford F-150 Lightning at \$43,511.00, one 2024 Ford Transit 350 15 passenger van at \$54,177.00, two 2024 Ford F-250 4x4 Pick-up Trucks at \$49,490.00 each, one 2024 Ford F-250 4x2 pickup truck at \$46,323.00, and one 2024 Ford Expedition SSV at \$54,207.00 for a total of \$853,825.00;

RESOLVED, That funding in the amount of \$36,798.00 be appropriated from the General Fund fund balance to the FY2024 Fire Department General Fund budget as a transfer to the Fleet Services Fund; thereby, increasing both the revenue and expenditure budget;

RESOLVED, That funding in the amount of \$18,903.00 be appropriated from the General Fund fund balance to the FY2024 Park Operations and Maintenance General Fund budget as a transfer to the Fleet Services Fund; thereby, increasing both the revenue and expenditure budgets;

RESOLVED, That funding in the amount of \$42,674.00 be appropriated from the Sewage Disposal System Fund fund balance to the FY2024 Sewage Disposal System budget as a transfer to the Fleet Services Fund; thereby, increasing both the revenue and expenditure budgets;

RESOLVED, That funding in the amount of \$29,185.00 be appropriated from the Water Supply System Fund fund balance to the FY2024 Water Supply System budget as a transfer to the Fleet Services Fund; thereby, increasing both the revenue and expenditure budgets;

RESOLVED, That funding in the amount of \$33,145.00 be appropriated from the Major Steet Fund fund balance to the FY2024 Major Street budget as a transfer to the Fleet Services Fund; thereby, increasing both the revenue and expenditure budgets;

RESOLVED, That funding in the amount of \$8,976.00 be appropriated from the Stormwater Fund fund balance to the FY2024 Stormwater budget as a transfer to the Fleet Services Fund; thereby, increasing both the revenue and expenditure budgets;

RESOLVED, That funding in the amount of \$80,219.00 be appropriated from the Project Management Fund fund balance to the FY2024 Project Management budget as a transfer to the Fleet Services Fund; thereby, increasing both the revenue and expenditure budgets;

RESOLVED, That \$249,900.00 be appropriated to the FY2024 Fleet Services Fund budget with the source of revenue being individually listed as transfers from the FY2024 budgets listed above;

RESOLVED, That funds for the purchase of these vehicles in the amount of \$853,825.00 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. 0362, 1058, 2280, 2294, 3261, 3297, 4261,

4271, 6221, 6264, 6299, 8251, 8271, 9250, 9252, 9253, 9255, and 9256) 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.