



Legislation Text

File #: 24-1439, Version: 1

Resolution to Authorize the Purchase of Three Western Star Swap Loader Chassis with Underbody Snowplows and Six Swap Loader Bodies from D & K Truck Company and Appropriate Funding (State of Michigan MiDeal - \$1,031,541.87) **(8 Votes Required)**

The attached resolution authorizes the purchase of three Western Star single axle swap loader chassis with underbody snowplows at \$253,353.31 each, three swap loader single axle dump bodies at \$35,834.80 each, and three swap loader single axle spreader bodies at \$54,659.18 each, for a total of \$1,031,541.87 through the State of Michigan MiDeal cooperative purchasing program (#24000000095) for use by the Public Works Unit of the Public Services Area.

The Public Works Unit currently has an aging dump truck fleet and has requested a new style chassis platform called a swap loader which allows the truck to be significantly more versatile. A swap loader chassis allows a driver to change the type of body on the back of the truck within minutes. These three proposed trucks are for the Street Department and they will have use of dump bodies and spreader bodies. These three trucks will be set up identical to the single axle trucks that were purchased for Streets last November. This will leave one tandem axle truck that will need to be ordered this fall once chassis availability and pricing is announced. These three trucks are being ordered now due to a cancellation that the dealer had from another order and was able to offer the City cost savings for ordering now.

This swap loader set will allow us to have separate replacement cycles for the chassis and swap loader bodies. This will be beneficial as we have found with our current dump truck configuration that the chassis has more issues and deterioration than the bodies do. This configuration is expected to allow us to use the bodies much longer than the chassis. Staff anticipates the bodies will last the full life of the chassis and the full life of a replacement chassis, saving the City money in the future by not having to buy the chassis and body together. These chassis will be on a 10-year replacement cycle and the bodies will be on a 20-year replacement cycle.

These new trucks will replace trucks #4555 a 2013 Freightliner 5 yard dump with 8,262 hours, #4556 a 2013 Freightliner 5 yard dump with 7,941 hours, #4557 a 2013 Freightliner 5 yard dump with 6,239 hours. With an expected 12-18 months for delivery of the new trucks, these existing trucks will be well beyond their useful life when removed from service. The material spreaders of these three trucks, assets #4685, #4686, and #4687 will also be removed from service and sold. Front plows for these trucks will be retained and used on the new dump trucks.

These trucks are used by Public Works staff to maintain City streets throughout the year and to plow and salt in the winter.

The Western Star chassis' being used for these trucks, and bodies which are supplied by Monroe may be subject to a materials surcharge. These surcharges are more common on heavy vehicles because of the significant lead time to procure materials in this current economic climate and the

amounts of materials used in fabricating these vehicles. Staff are requesting that a contingency in the amount of \$30,000.00, \$10,000.00 per vehicle, be approved to cover any surcharge.

D & K Truck Company, Lansing, MI, is the lowest responsive bidder to the State of Michigan MiDeal cooperative purchasing program for heavy truck cab and chassis.

D & K Truck Company complies with the requirements of the City's Conflict of Interest and Non-Discrimination ordinances.

Budget/Fiscal Impact: Fleet has \$192,400.43 in replacement costs remaining from the funds collected for the group of nine Streets trucks being replaced in FY24 and FY25. Replacement funds collected for these nine trucks, and the change to the swap loader bodies, were significantly less than the actual purchase costs. The deficit for the three trucks and six bodies on this agenda item, in the amount \$839,141.44, has been budgeted in the approved FY25 Public Works Major Streets Fund Operations and Maintenance budget. With the appropriation of this \$839,141.44 of capital contribution from Fleet revenue, and the appropriation of \$192,400.43 of replacement costs from Fleet Services Fund fund balance, adequate funding for the purchase of these three chassis and six bodies is available in the approved FY25 Fleet Services Fund Operations and Maintenance budget.

The new chassis will be placed on a 10-year replacement schedules which are consistent with our other dump chassis. The new bodies will be placed on a 20-year replacement schedule. Public Works Streets Department will have an annual replacement cost of approximately \$91,932.00 for these three chassis and an annual replacement cost of approximately \$22,065.00 for these six bodies. This Fleet replacement cost covers the future cost of replacing these chassis and bodies.

Green Fleet Policy:

The Green Fleet Committee approved the need for the replacement of this equipment, 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 & Facilities Unit needs to purchase replacement equipment for the City's fleet;

Whereas, Competitive bids were received by the State of Michigan MiDeal cooperative purchasing program and D & K Truck Company of Lansing, MI was awarded contract (#240000000095) for heavy truck cab and chassis;

Whereas, D & K Truck Company complies with the requirements of the City's Conflict of Interest and Non-Discrimination Ordinances; and

Whereas, Upon approval of the appropriations requests from Fleet revenue and from Fleet Fund fund balance adequate funding for this purchase is available in the FY2025 Fleet Services Fund Operations and Maintenance budget;

RESOLVED, That City Council approve the issuance of a purchase order to D & K Truck Company for the purchase of three Western Star single axle swap loader chassis with underbody snowplows and six swap loader bodies in the amount of \$1,031,541.87 and authorize a chassis and body surcharge contingency of \$30,000.00 to cover potential price increases;

RESOLVED, That funding in the amount of \$192,400.43 be appropriated from the Fleet Services Fund fund balance to the FY2025 Fleet Services Fund Operations and Maintenance budget; thereby, increasing both the revenue and expenditure budgets;

RESOLVED, That \$839,141.44 be appropriated to the FY2024 Fleet Services Fund Operations and Maintenance budget with the source of revenue being the capital contribution from the FY2025 Public Works Major Streets Fund; thereby, increasing both the Fleet Services Fund revenue and expenditure budgets;

RESOLVED, That funds for the purchase of these new swap loader chassis' and bodies in the amount of \$1,031,541.87 comes from the FY2025 Fleet Services Fund Operations and Maintenance budget with funds, including any approved contingency, to be available without regard to fiscal year;

RESOLVED, That the equipment being replaced (nos. 4555, 4556, 4557, 4685, 4686, and 4687) be sold at the next City vehicle auction after the equipment is removed from service; and

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