

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	January 25, 2010
	Agenda Item No. 36F Roll Call No. <u>10-</u> Communication No. <u>10-048</u> Submitted by: Merrill R. Stanley, Deputy City Manager	

AGENDA HEADING:

Approve purchase to replace 24 City fleet vehicles.

SYNOPSIS:

Recommend Council approval to purchase 24 vehicles for the City fleet in accordance with specifications of Bid No. V10-049 to three low responsive bidders. Bids to be awarded to: Charles Gabus Ford, 4545 Merle Hay Road, Des Moines, IA, 50310, (Gene Gabus, General Manager) in the amount of \$175,303.55.
Ed Stivers Ford, 1450 E. Highway 6, Waukee, IA, 50263, (Don Politte, General Manager), in the amount of \$145,378.00.
Toyota of Des Moines, 4475 Merle Hay Road, Des Moines, IA, 50310, (Steve Luebke, Vice President/General Manager), in the amount of \$243,551.00.

FISCAL IMPACT:

Amount: \$564,232.55

Funding Source: \$456,816.55 CMO010407, Equipment Replacement, FY2009-10 Operating Budget page 53; \$107,416.00 PWK100101, Solid Waste Enterprise Fund, FY2009-10 Operating Budget page 264.

ADDITIONAL INFORMATION:

As part of the Fleet Services annual purchasing plan, bids were solicited for vehicles to replace City vehicles meeting or exceeding established replacement criteria. Bid documents included one vehicle for the Housing Department, which will be awarded administratively. The vehicle selected to be purchased for Housing is a Toyota Prius hybrid sedan from Toyota of Des Moines.

Twenty three bids were mailed and twelve responses were received. The bids received are a result of Fleet Services initiated specification development with input from the user departments. This approach is consistent with Centralized Fleet Management to increase the utilization of replacement vehicles while reducing the environmental impact of the fleet's operation. Bid responses were contrasted to existing State of Iowa Department of Administrative Services contracts. The resulting bid award recommendations were based on bidders meeting minimum specifications after a 1% allowance for local preference to determine low bid.

A minimum EPA City MPG rating of 41 MPG for hybrids and 22 MPG for gas engines was specified for midsized sedans. Where hybrid vehicles are available to meet specifications, acquisition costs, plus lifetime (100,000 miles) fuel costs using published EPA City MPG ratings and current fuel prices were compared to costs of similar conventional gas engine vehicles. This analysis for midsized sedans yielded a higher cost of only one cent per mile (\$1,000 over the 100,000 mile life) for hybrid vehicles. With anticipated higher costs for fuel during the expected 8-10 year life cycle and greater residual value of hybrid midsized sedans, the higher initial cost is expected to be more than recouped, so the purchase of hybrid sedans is recommended. The same analysis for compact SUVs resulted in the hybrid version costing 5 cents per mile (\$5,000) more over 100,000 miles. Also, fleet data of existing hybrid compact SUVs shows the stated City MPG is not attained during municipal use; therefore, a conventional compact SUV is recommended.

The approval of the recommended purchase of 11 hybrid sedans included in this action and the purchase of one hybrid sedan by Housing will raise the City fleet’s hybrid count to 26.

As is the case with previous vehicle bid awards, the purchase of diesel powered work trucks are recommended to reduce fuel costs through increased efficiency over gasoline engines and to utilize Biodiesel in warm weather months.

A listing and description of low compliant bids that are recommended for award follows.

Qty	Vehicle Description	Dept.	Bidder	Award Amount
2	Extended length cargo vans	POL	Gabus	\$175,303.55
1	Extended length cargo van	PKS		
2	4WD pickup trucks with snow plows and liftgates	PKS		
1	4WD pickup truck with snow plow	PKS		
4	4WD compact extended cab pickup trucks	1-CDD, 3-PWK-SW	Stivers	\$145,378.00
1	Compact 4WD SUV	CDD		
2	4WD extended cab pickup trucks	PWK-SW		
11	Midsized hybrid sedans	CDD, ENG, POL	Toyota of Des Moines	\$243,551.00

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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