

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	March 6, 2017
	Agenda Item No.	41B
	Roll Call No.	<u>17-0390</u>
	Communication No.	<u>17-258</u>
	Submitted by:	Carl Metzger, Deputy City Manager

AGENDA HEADING:

Approving the purchase of 19 replacement vehicles and three (3) additions to the City fleet for various City departments.

SYNOPSIS:

Recommend approval of the purchase of 22 vehicles for the City’s fleet in accordance with specifications of Bid No. V17-047 and as per the bid items on the bid tabulation to the low responsive bidders as follows:

- Bid Item numbers (1,4,5,6,7,8,10,14): for 17 vehicles - eight (8) half-ton four-wheel drive pickup trucks, five (5) one-ton work trucks, two (2) cargo vans, two (2) one-ton trucks with aerial lift and service body from Stew Hanson Dodge City (12103 Hickman Road, Des Moines, IA 50323, Dan Boettcher, General Manager) in the amount of \$741,329 for low responsive bids. Contract purchases.
- Bid Item numbers (3,9,11,12,13): for five (5) vehicles - one (1) midsize four (4) door HYBRID sedan, one (1) one-ton truck with aerial lift and service body, one (1) 25,900 Gross Vehicle Weight rated platform truck with hydraulic crane, and two (2) cargo vans from Dewey Ford (3055 SW Delaware, Ankeny, Iowa 50021, Dan Boettcher, General Manager) in the amount of \$348,640 for the low responsive bid.

FISCAL IMPACT:

Amount: \$1,089,969

Funding Source: \$963,613 Equipment Replacement Fund IS201 CM024021, and \$126,356 from PW247411-55% Sanitary Sewer Maintenance operating budget/PW247413-45% Storm Sewer Maintenance

ADDITIONAL INFORMATION:

- Bids were solicited to replace vehicles in the City fleet that meet or exceed established replacement criteria and approved for replacement and additions to the City fleet by the Fleet Oversight Committee. Low responsive bids were compared to State of Iowa Department of Administrative Services vehicle purchasing contracts when available and the least cost award being recommended. In the applicable vehicle classes for bid Items numbers 1-3 for which there is an EPA estimated fuel efficiency CITY rating; compact pickup trucks, standard pickup trucks, mid-size sedans, and hybrid sedans; bids were evaluated by analyzing the EPA city fuel economy ratings (estimated MPG) and bid prices to calculate the cost of owning and fueling the vehicle for an anticipated

100,000 mile use. The least cost option as determined by the NET bid cost and the estimated fuel cost for 100,000 miles is recommended. Larger vehicles classes do not have an EPA estimated fuel efficiency.

- Nineteen (19) of the vehicles being purchased are for replacements of existing units. There are three (3) additions to the fleet that have been approved by the Fleet Oversight Committee and are recommended for purchase. They are as follows:
 - One (1), half-ton four-wheel drive pickup truck from Item 1 for use by the Sewers Division utility locating personnel of the Department of Public Works.
 - One (1), 19,500 Gross Vehicle Weight Rated Signal Truck with Aerial Lift and Service Body from Item 10 for use by the Traffic and Transportation Division of the Engineering Department.
 - One (1), one-ton four-wheel drive pickup truck from Item 14 for use by the Sewers Division Pump Station personnel of the Department of Public Works.
- The recommendation award for all bid Items is to the respective low responsive bidder as identified in the bid tabulation. There was a choice between Item 2 or Item 3. The full life cycle costs for Item 3 was lower; and, therefore, Item 2 will not be purchased.
- Commercial Fleet Managers of non-responding vehicle dealerships were contacted to determine why they did not bid. Reasons include:
 - Individual policy decisions not to compete with awarded State of Iowa Contract holders as the holders are afforded manufacturer discounts for State Contracts that are not available to all dealerships;
 - Discontinued manufacturer's discounts for governmental and municipal sales; and
 - Multiple dealership under the same owner will not submit bids for competing product brands.
- Fleet and Finance staff will continue to evaluate potential improvements in the bidding process to generate the maximum number of bidders responding to solicitations.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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