



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2023-0004

TO: Mayor and City Council Members
FROM: Bill Fritz, P.E., Director Department Public Services
DATE: January 9, 2023
SUBJECT: 2023-2024 Vehicle Purchases

REQUEST:

The City's Fleet Department budgets and purchases various vehicles and equipment to up fit vehicles each year. For the 2023-2024 budget year, it is requested that City Council approve a project budget/blanket purchase order of \$1,571,950.00 to purchase budgeted vehicles and equipment from cooperative contracts, and other supply sources that may become available throughout the year. The best cost will be researched and determined at the time of purchase and will comply with the City's purchasing ordinance and policies.

REASON FOR PURCHASE:

The request before City Council for approval of a project budget to allow the purchase of vehicles and various equipment for the 2023 and 2024 budget year is being done based on the volatility and uncertainty of the vehicle market that we have been dealing these past couple of years due to supply chain interruptions and parts backorders. In the past, the dealers would be able to provide fixed pricing for a 6-9 month term with a December year end order cut-off. With all the disruptions in the market as it relates to vehicle purchases, it has been very difficult to meet or hit order deadlines, as the City typically only get a weeks' notice that an order opening is coming and it will then only be open for a few days, with a limited number of build spots.

In an effort to better meet the City's needs as it relates to vehicle ordering and meeting our fleet replacement schedule we are asking for approval of a project purchase approval versus that of a several single purchases to specific vendors in which we may miss order deadlines based on timing of meetings, due to the order cutoffs being so limited now. By approving a project budget, this will allow the City the flexibility to make purchases from various sources ensuring compliance with the City's purchasing ordinance and policies for each purchase and will enable the City to obtain best costs at the time of purchase, and also the ability to make vehicle purchases. Items that would be purchased from this blanket purchase order would be passenger vehicles, cargo vans, pickup trucks, truck chassis for the chip truck and small dump truck (2yd), plows, up fitting of chip truck and small dump truck, and other related equipment.

PROCESS:

Vendor Name and Address:

Vendors that are on cooperative contracts, Oakland County Cooperative Contract, MiDeal, OMNIA Partners, and other supply sources that can provide the lowest cost solution for the City's needs.

Reason for Selection:

Selection for each purchase will be based on evaluation of the vendor’s available items/pricing on cooperative contract and other supply sources that will provide the best cost at the time of purchase and are in compliance with the City’s purchasing ordinance and purchasing processes.

Method of Purchase:

Blanket Purchase Order

BUDGET:

Funding is included in the FY 2023 Adopted Budget and FY 2024 Projected Budget

Fund Name	Department Account No	Account No. Description	2-Year Budget Amount	2-Year Cost	Remaining Budget
Fleet	661.981000	Vehicles	\$1,571,950	\$1,571,950	\$0

RECOMMENDATION:

It is recommended that City Council approve a project budget/blanket purchase order of \$1,571,950.00 to purchase budgeted vehicles and equipment from cooperative contracts, and other supply sources that may become available throughout the year. The best cost will be researched and determined at the time of purchase and will comply with the City’s purchasing ordinance and policies.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Procurement Manager		
Mayor		
City Clerk		

Contract Reviewed by City Attorney Yes N/A