



City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS

1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)

---

Legislative File No: 2021-0453

**TO:** Mayor and City Council Members

**FROM:** Allan Schneck, P.E., Director Department of Public Services

**DATE:** November 15, 2021

**SUBJECT:** Purchase Authorization for Replacement Vehicle for 2022

---

**REQUEST:**

City Council is requested to authorize the purchase of fourteen (14) new vehicles (replacements for 39-164, 39-01, 39-291, 39-274, 39-289, 39-582, 39-299, 39-538, 39-154, 39-290, 39-529, three (3) new) from Todd Wenzel Buick GMC, Westland, Michigan in the amount of \$433,028.00 and four (4) additional vehicles (39-175, 39-555, 39-178, one (1) new) from Berger Chevrolet, Grand Rapids, Michigan in the amount of \$110,568.00 for a total purchase cost not-to-exceed \$543,596.00.

**REASON FOR PURCHASE:**

The City's fleet vehicle & equipment policy, which includes a replacement timetable, was created in 1988 to provide a responsible program and process for the practical maintenance and replacement of the City's vehicles and equipment. Proactive and scheduled replacement addresses the issue of replacing a vehicle having relatively low miles but may have seen severe service and or high engine run hours.

Vehicle manufacturers allot a very small percentage of their order schedules for fleet vehicles. Order cut-off is typically slated for the first quarter of the model year. It is important that the City expedite the purchase of the vehicles to avoid missing the manufacturers order cut-off date. If the cut-off date is missed, the vehicles would have to be purchased at retail, or the vehicles in need of replacement could incur additional repair and or maintenance costs from not being replaced.

The City purchases vehicles through the Oakland County Cooperative Purchasing Program. Vehicles are purchased through the Oakland County Cooperative Purchasing program at a cost significantly lower than retail, and surplus vehicles are disposed of through the Michigan Intergovernmental Trade Network (MITN) on-line auctions by Purchasing. Utilizing the MITN on-line auction site the City has been realizing a 60% rate of return from the initial investment of the vehicle. Purchasing the vehicles at a significant discount and selling them at auction before significant operating costs are incurred has resulted in low total cost of ownership to the City.

**PROCESS:**

**Vendor Name and Address:**

Todd Wenzel Buick GMC  
35100 Ford Road  
Westland, MI 48185

Berger Chevrolet  
2525 28<sup>th</sup> SE  
Grand Rapids, MI. 49512

**Reason for Selection:**

Oakland County Cooperative Purchasing Program

**Method of Purchase:**

Purchase Order

**BUDGET:**

Funding is included in the FY 2022 Adopted Budget. A portion of the remaining budget will be utilized for upfitting of dump bodies and equipping snow plows on selected vehicles.

Fund Name	Department Account No	Account No. Description	FY 2022 Budget Amount	Cost	Remaining Budget
Fleet	661.981000	Capital – Vehicles	\$788,060	\$543,596	\$244,464

**RECOMMENDATION:**

City Council is requested to authorize the purchase of fourteen (14) new vehicles (replacements for 39-164, 39-01, 39-291, 39-274, 39-289, 39-582, 39-299, 39-538, 39-154, 39-290, 39-529, three (3) new ) from Todd Wenzel Buick GMC, Westland, Michigan in the amount of \$433,028.00 and four (4) additional vehicles (39-175, 39-555, 39-178, one (1) new) from Berger Chevrolet, Grand Rapids, Michigan in the amount of \$110,568.00 for a total purchase cost not-to-exceed \$543,596.00.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		

Contract Reviewed by City Attorney

Yes

N/A



