



**City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
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www.rochesterhills.org**

Legislative File No: 2007-0152

TO: Mayor and City Council Members
FROM: Roger Rousse, Director of Public Service
DATE: February 26, 2007
SUBJECT: Three Tandem Axle Dump/Salt Trucks

REQUEST:

City Council is requested to authorize the purchase to three (3) tandem axle dump/salt trucks to Wolverine Truck Sales, Inc., Dearborn, Michigan in the amount of \$442,491.00

REASON FOR PURCHASE:

Bids for the purchase of three new tandem axle dump trucks equipped with snowplow, tailgate salt spreader, and underbody road scraper. These trucks will replace 39-19, a 1985 L8000 tandem axle dump truck, 39-68 and 39-70, both 1995 Ford L9000 tandem axle dump trucks, that are fully depreciated and overdue for replacement.

It is recommended the City award to **Wolverine Truck Sales, Inc. 35500 Wyoming, Dearborn MI, 48120 with NBC Truck Equipment as the equipment supplier, in the amount not to exceed \$442,491.00** as lowest responsive responsible bidder for three new tandem axle dump/salt trucks as specified.

A total of 13 bids were received:

TRUCK VENDOR EQUIPMENT SUPPLIER TOTAL AMOUNT

Tri-County International	Truck & Trailer	\$474,600.00
Motor City Trucks	Truck & Trailer	\$455,985.00
Wolverine Truck Sales	Knapheide Equipment	\$444,348.00
NBC Truck Equipment	Equipment Only	\$215,511.00
Tri-County International	Knapheide Equipment	\$465,558.00
Tri-County International	Cannon Equipment	\$475,275.00
Tri-County International	Alternate	\$454,419.00
Motor City Trucks	Knapheide Equipment	\$446,463.00
Motor City Trucks	NBC Equipment	\$444,606.00
Wolverine Truck Sales	Equipment Only	\$217,368.00
Wolverine Truck Sales	Truck & Trailer	\$454,470.00
<i>Wolverine Truck Sales</i>	<i>NBC Equipment</i>	<i>\$442,491.00</i>
Wolverine Truck Sales	Cannon Equipment	\$451,965.00

Tandem axle dump/salt trucks are used on a daily basis by the DPS Roads Division for snow plowing & de-icing major & local roads, road fill & grading, road repairs, ditch cleaning, and by the water & sewer divisions for water and sewer main breaks & repairs.

The 3 existing trucks referenced above were due to be replaced in 2004. Bids were solicited, received, evaluated and a recommendation for purchase was written and brought before City Council for purchase approval. Because of the local roads funding situation City Council did not approve purchase, and capital funds for purchase of the trucks were rolled up year to year to the 2007 budget. Operating costs for the 3 older trucks have continued to increase each year negatively affecting fleet's operating budget.

New diesel engine emission standards were mandated by USEPA for year 2007 engines adding approximately \$10,000 to the cost of each truck. Recent price surges of steel, copper, rubber and other materials have resulted in additional cost increases. New technologies and added features such as salt pre-wetting systems also have increased costs. The substantial price increases from the 2004 to 2007 bid amounts reflect these additional increases.

USEPA is further tightening diesel engine emission standards in 2010. This will drive the cost of trucks even higher. Because of the broadening global economy, raw material costs are also anticipated to continually increase.

Fleet Division's primary function is to provide our customers with safe, productive dependable vehicles and equipment at the lowest possible cost. Repeatedly deferring the purchase of replacement equipment is inefficient, inflates operating and life cycle costs and negatively affects the City's credibility. It is in the best interest of the city to expedite the purchase of these trucks to avoid expiration of the current bids (90 days), and face increases in pricing if re-bid.

PROCESS:

Vendor Name and Address:

Wolverine Truck Sales, Inc.
35500 Wyoming
Dearborn, MI 48120

Reason for Selection:

Lowest, responsive, responsible bid

Method of Purchase:

Purchase Order

BUDGET:

These 3 replacement trucks were provided for in the 2007 fleet equipment fund budget, \$126,630.00 each, total for 3 trucks = \$379,890.00. The pricing for the trucks is over budget by \$20,867.00 each for a total of \$62,601.00 for 3.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Fleet Equipment Fund	661.977000	Equipment Capitalized	\$379,890.00	\$442,491.00	(\$62,601.00)

RECOMMENDATION:

It is recommended that City Council authorize the purchase of three (3) tandem axle dump/salt trucks to Wolverine Truck Sales, Inc., Dearborn, Michigan in the amount of \$442,491.00.

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		