



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

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

Legislative File No: 2014-0578 Version 2

TO: Mayor and City Council Members
FROM: Allan E. Schneck, P.E., Director of Public Services
DATE: January 12, 2014
SUBJECT: Increase to Purchase Order for Replacement Vehicles 2015

REQUEST:

City Council is requested to authorize an increase to the purchase order issued to Red Holman Buick, GMC in the amount of \$2,132.00 (\$533.00 per truck for four (4) trucks) for a new not-to-exceed amount of \$250,779.00.

REASON FOR PURCHASE:

On December 15, 2014, the City requested approval for the purchase of twelve (12) 2015 vehicles through the Oakland County Cooperative Purchase Program, which City Council approved. Oakland County had not updated their system with the updates for General Motors 2014 to 2015 model price increase. This price increase affected one (1) of the truck models the City ordered, which was TK 15753 (a total of four (4) trucks were ordered). After City Council approval was received, a purchase order was issued to Red Holman Buick, GMC. When the dealer entered the order for the vehicles, the City's order was kicked out of the system because the pricing for the model was incorrect. The dealer discovered the discrepancy immediately and notified the City. An approval by City Council for the additional amount is needed in order to correct the purchase order to Red Homan Buick, GMC.

PROCESS:

Vendor Name and Address:

Red Holman Buick GMC
35300 Ford Road
Westland, MI 48185

Reason for Selection:

Oakland County Cooperative Purchasing Program

Method of Purchase:

Purchase Order

BUDGET:

Funding is included in the FY 2015 Adopted Budget . Please note that some of the remaining budget in the Fleet Fund is to be used to purchase snow plows to equip certain vehicles.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Fleet Fund	661.981000	Vehicles	\$30,058.00	\$2,132.00	\$27,926

RECOMMENDATION:

It is requested that City Council authorize an increase to the purchase order issued to Red Homan Buick, GMC in the amount of \$2,132.00 (\$533.00 per truck for four (4) trucks) for a new not-to-exceed amount of \$250,779.00.

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