

**CITY OF ROCHESTER HILLS
FLEET SERVICES DIVISION**

**2013 VEHICLE PURCHASES
THROUGH THE
OAKLAND COUNTY COOPERATIVE PURCHASE PROGRAM**

2013 SCHEDULED REPLACEMENTS:

| New Vehicle Make/Model | Vehicle Type | User Dept. | Replaces Vehicle # | Replaced Vehicle Year/Make/Model | Mileage on Vehicle | Disposition of Replaced Vehicle |
|-------------------------------|---------------------|-------------------|---------------------------|---|---------------------------|--|
| GMC Sierra 4x4 | Pickup | Building | 39-170 | 06 GMC 4x4 Pickup | 49,650 | Bump older truck to auction |
| GMC Sierra 4x4 | Pickup | Building | 39-172 | 06 Dodge 4x2 Pickup | 66,697 | Bump older truck to auction |
| GMC Sierra 4x4 | Dump | Forestry | 39-36 | 04 GMC 4x4 Pickup | 51,750 | Auction |

Mileage as of 1-14-13

39-36 is a pickup truck chassis/cab with an aluminum dump/tool body utilized daily by the Forestry Rangers for transportation of personnel, tools, equipment logs, stumps, wood chips and other Forestry related items. The replacement vehicle will be a ¾ ton Sierra 4x4 chassis/cab (without pickup body), and the existing dump/tool body will be transferred from the old truck to the new one.

39-170 and 39-172 are pickup trucks used daily by Building Department Ordinance Enforcement personnel for routine and special inspections, surveillance, site reviews, and frequent trips to meetings, training, and seminars outside the City. The vehicles replacing 39-170 and 39-172 will be GMC Sierra 4x4 extended cab pickup trucks. These vehicles see considerable stop & go driving and extended engine idling periods.

Vehicle odometer readings cannot be the only criteria used to determine if a vehicle should be replaced. Extreme conditions such as snow plowing, pulling heavily loaded trailers, construction site conditions, 100% stop and go driving and the vehicle's general condition are also important considerations.

The city's fleet 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. One of Fleet Services Division's goals is to: "Maintain the fleet in a safe, useful condition through proactive, preventive maintenance and scheduled replacement". Proactive and Scheduled replacement both address the issue of replacing a vehicle having relatively low miles but may have seen severe service and or high engine run hours. We strive to maximize the vehicle's life cycle while maintaining the lowest possible cost.

The 7-year replacement schedule for cars and light trucks is a guideline, not a rigid requirement. Often, vehicle replacements are postponed for extended utilization periods. To optimize life cycle each vehicle that is fully depreciated is evaluated, and if criteria for replacement is not met, replacement is postponed for 1 year and then vehicle condition is re-evaluated.

In most cases, we have found that after 7 years, or 40,000 miles, frequency of vehicle maintenance and repairs significantly increases driving up overall operating costs. It is in the best interest of the City to replace, rather than to repair these vehicles.

The City purchases cars and light trucks through the Oakland and Macomb County Cooperative Purchase programs, and the State of Michigan Extended purchase program. Vehicles are purchased through these programs at a cost significantly lower than retail, and surplus vehicles are disposed of via public auction. Purchasing the vehicles at a discount, and selling them at public auction (where we have been getting excellent returns) results in a relatively low total cost of ownership or life cycle cost for the City.

Vehicle manufacturers allot a very small percentage of their order schedules for fleet vehicles. Order cut-off is usually in the first quarter of the model year. Therefore, it is important that the City expedite the purchase process to avoid missing the order cut-off date. If the cut-off date is missed, the vehicles would have to be purchased retail, or the vehicles in need of replacement would incur additional repair and or maintenance costs.