



**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: 2011-0022

TO: Mayor and City Council Members
FROM: Paul Davis, Interim Director Department of Public Services
DATE: January 7, 2011
SUBJECT: Vehicles

REQUEST:

City Council is requested to authorize the purchase of nine (9) new vehicles (replacements for 39-02, 39-05, 39-14, 39-38, 39-53, 39-93, 39-125, 39-167, 39-168) from Red Holman Buick GMC, Westland, Michigan in the amount of \$142,829.00 and Berger Chevrolet, Grand Rapids, MI in the amount of \$34,912.00 for a total not-to-exceed amount of \$177,741.00.

REASON FOR PURCHASE:

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. 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.

The City purchases vehicles through the Oakland County Cooperative Purchase Program. Vehicles are purchased through this program at a cost significantly lower than retail and surplus vehicles are disposed of through the Michigan Intergovernmental Trade Network on-line auctions. Purchasing the vehicles at a discount and selling them at auction before significant operating costs are incurred results in a relatively low life cycle cost to the City.

PROCESS:

Vendor Name and Address:

Red Holman Buick GMC
35300 Ford Road
Westland, MI 48185

Berger Chevrolet
2525 28th SE
Grand Rapids, MI 49512

Reason for Selection:

Oakland County Cooperative Purchase Program

Method of Purchase:

Purchase Order

BUDGET:

A portion of remaining budget will still be needed to purchase additional equipment (i.e. snowplows) for certain vehicles.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Fleet	661.981000	Capital-Vehicles	\$268,930.00	\$177,741.00	\$91,189.00

RECOMMENDATION:

City Council is requested to authorize the purchase of nine (9) new vehicles (replacements for 39-02, 39-05, 39-14, 39-38, 39-53, 39-93, 39-125, 39-167, 39-168) from Red Holman Buick GMC, Westland, Michigan in the amount of \$142,829.00 and Berger Chevrolet, Grand Rapids, MI in the amount of \$ 34,912.00 for a total not-to-exceed amount of \$177,741.00.

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