



**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: 2011-0264

TO: Mayor and City Council Members
FROM: Allan Schneck, Department of Public Services Director
DATE: May 12, 2011
SUBJECT: One (1) 2-3 Yard Dump Truck

REQUEST:

City Council is requested to authorize the purchase of (1) new 2-3 yard dump truck from Red Holman Buick GMC, Westland, MI in the amount of \$36,720.00.

REASON FOR PURCHASE:

The City posted bids utilizing the MITN system requesting bids for a 2-3 yard dump truck and four (4) responses were received. The lowest responsive, responsible bidder was Red Holman Buick GMC and met all bid specifications. It is important to note that the difference in Red Holman's chassis pricing is less than that of all other bidders and is where the gap in pricing occurs in evaluation of all responses received. Red Holman Buick GMC was able to offer the most competitive pricing on the truck chassis because of their cooperative bid agreement through the Oakland County program, this pricing structure was extended to the City through our bid process, resulting in a significant savings for this purchase.

The new dump truck will replace vehicle# 39-46, a 2000 GMC 2-3 yard capacity dump truck. This dump truck is used primarily for major and local road maintenance operations which can include tasks such as, repairs and patching, crack sealing, edge drain repair and installation, and snow plowing in winter. The truck is also used to tow equipment trailers that trailers items such as roller, concrete saws and screeds, small backhoes, etc. Vehicle # 39-46 is DPS's only small dump truck and was due for replacement in 2010. In early 2010, the truck's condition was evaluated by Fleet and it was determined that replacement could be deferred until 2011. It is the recommendation of fleet that it would be detrimental to defer replacement further, as we anticipate operating costs will increase. The residual value on the unit is still relatively high, and a high residual value has a positive effect on keeping the life cycle cost low.

The City utilizes the MITN surplus auction site to dispose of the City's surplus property and has been realizing relatively high returns on our vehicle auctions. It is recommended that award be made to Red Holman Buick GMC as the lowest, responsive, responsible bidder.

PROCESS:

Vendor Name and Address:

Red Holman Buick GMC
35100 Ford Road
Westland, MI 48185

Reason for Selection:

Lowest Responsible, Responsive Bidder

Method of Purchase:

Purchase Order

BUDGET:

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Fleet	661.981000	Capital: Vehicles	\$58,610.00	\$36,720.00	\$21,890.00

RECOMMENDATION:

It is recommended that City Council authorize the purchase of one (1) 2-3 Yard Dump Truck to Red Holman Buick GMC, Westland, Michigan in the amount of \$36,720.00

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