



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

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Legislative File No: 2025-0078

TO: Mayor and City Council Members

FROM: Bill Fritz, P.E., Director Department of Public Services

DATE: March 3, 2025

SUBJECT: Purchase Authorization for Replacement Vehicles 2025 and 2026

REQUEST:

The City's Fleet Department requests City Council approval of a \$1,324,790.00 blanket purchase order for the 2025-2026 fiscal years. This funding will cover the purchase of budgeted vehicles and equipment, utilizing cooperative contracts and other available supply sources. The Fleet Department will research and determine the best available pricing at the time of each purchase, ensuring compliance with the City's purchasing ordinance and policies.

REASON FOR PURCHASE:

City Council approval is requested for a project budget to purchase vehicles and equipment during the 2025-2026 fiscal year. This request is driven by the volatility and uncertainty experienced in the vehicle market over the past several years due to supply chain interruptions and parts backorders. Previously, dealers offered fixed pricing for 6-9-month terms with a December order cutoff. However, recent market disruptions have significantly shortened order windows, often providing only a week's notice with limited build slots, making it difficult to meet deadlines and requiring a more adaptable budget.

In an effort to meet the City's needs as it relates to vehicle ordering and meeting our fleet replacement schedule, we are asking for approval of a project purchase approval versus that of a several single purchases to specific vendors in which we may miss order deadlines based on timing of meetings, due to the order cutoffs being so limited now. By approving a project budget, this will allow the City the flexibility to make purchases from various sources ensuring compliance with the City's purchasing ordinance and policies for each purchase and will enable the City to obtain best costs at the time of purchase, and also the ability to make vehicle purchases. Items that would be purchased from this blanket purchase order would be passenger vehicles, cargo vans, pickup trucks, chipper truck, and other related equipment.

PROCESS:

Vendor Name and Address:

Vendors that are on cooperative contracts, Oakland County Cooperative Contract, MiDeal, Omnia Partners, and other supply sources that can provide the lowest cost solution for the City's needs.

Reason for Selection:

Selection for each purchase will be based on evaluation of the vendor's available items/pricing on cooperative contract and other supply sources that will provide the best cost at the time of purchase and are in compliance with the City's purchasing ordinance and purchasing processes.

Method of Purchase:
Blanket Purchase Order

BUDGET:

Funding is included in the FY 2025 Adopted Budget and the FY 2026 Projected Budget

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Fleet	661.981000	Vehicles	\$1,324,790	\$1,324,790	\$0

RECOMMENDATION:

It is recommended that City Council approve project budget/blanket purchase order of \$1,324,790.00 to purchase budgeted vehicles an equipment from cooperative contracts, and other supply sources that may become available throughout the year. The best cost will be researched and determined at the time of purchase and will comply with the City’s purchasing ordinance and policies.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Procurement Manager		
Mayor		
City Clerk		

Contract Reviewed by City Attorney Yes N/A