



CITY OF NOVI CITY COUNCIL
SEPTEMBER 12, 2022

SUBJECT: Consideration of approval to purchase six 2023 Ford Police Explorer Hybrids, one 2023 unmarked police vehicle, seven 2023 Ford F-350s, two 2023 Ford Escapes, one 2023 Ford Escape Hybrid, one 2023 Chevrolet Colorado, and one 2023 Dodge Grand Caravan or equivalent and upfits, through any Cooperative Purchasing Contract; in the estimated amount of \$ 908,390.

SUBMITTING DEPARTMENT: Department of Public Works, Fleet Division

EXPENDITURE REQUIRED	\$ 908,390 (ESTIMATED)
AMOUNT BUDGETED	<p>\$ 300,000 - 101-301.00-983.000 Ford Police Explorer Hybrids</p> <p>\$ 60,720 - 101-301.00-983.100 Police vehicle upfits</p> <p>\$ 30,000 - 101-301.00-983.245 Unmarked Police vehicle</p> <p>\$ 26,340 - 101-209.00-983.066 Ford Escape (includes upfits)</p> <p>\$ 49,080 - 101-265.10-983.071 Ford F-350 (includes upfits)</p> <p>\$ 49,080 - 101-265.10-983.090 Ford F-350 (includes upfits)</p> <p>\$ 49,080 - 101-371.00-983.089 Chevrolet Colorado (includes upfits)</p> <p>\$ 49,080 - 101-442.30-983.050 Ford F-350 (includes upfits)</p> <p>\$ 26,340 - 101-442.30-983.055 Ford Escape (includes upfits)</p> <p>\$ 49,080 - 101-442.30-983.067 Ford F-350 (includes upfits)</p> <p>\$ 49,080 - 101-442.30-983.072 Ford F-350 (includes upfits)</p> <p><u>\$ 29,430 - 101-807.00-983.062 Ford Escape Hybrid (includes upfits)</u></p> <p>\$ 767,310 - 101 Fund TOTAL</p> <p><u>\$ 42,920 - 208-691.00-983.045 Dodge Grand Caravan (includes upfits)</u></p> <p>\$ 42,920 - 208 Fund TOTAL</p> <p>\$ 49,080 - 592-592.00-983.074 Ford F-350 (includes upfits)</p> <p><u>\$ 49,080 - 592-592.00-983.087 Ford F-350 (includes upfits)</u></p> <p>\$ 98,160 - 592 Fund TOTAL</p>
APPROPRIATION REQUIRED	N/A
LINE ITEM NUMBER	Line-items listed above in AMOUNT BUDGETED section

BACKGROUND INFORMATION:

Due to purchasing constraints outlined in the included memo, staff is requesting the pre-authorization to purchase light-duty vehicles and their upfits through any appropriate cooperative purchasing contract. This follows City Purchasing Policy by using competitively bid prices.

The Ford Police Explorer Hybrids will be replacing six marked vehicles used by the Uniformed Officers Section of the Police Department. These vehicles are used for patrol. One vehicle is budgeted to replace an unmarked police vehicle.

Nine of the new vehicles will be replacing the current ones listed below:

Department	Vehicle ID #	Current Model	Current Mileage	Replacement Model
DPW Field Operations	693	2011 Ford F-350	54,276 Miles	2023 F-350
IS Parks Maintenance	641	2014 Ford F-350	42,763 Miles	2023 F-350
DPW Field Operations	697	2013 Ford F-350	37,993 Miles	2023 F-350
DPW Field Operations	651	2014 Ford F-350	50,778 Miles	2023 F-350
DPW Water & Sewer	733	2016 Ford F-350	64,642 Miles	2023 F-350
DPW Field Operations	147	2017 Ford Escape	32,455 Miles	2023 Ford Escape
Assessing	140	2016 Ford Escape	26,730 Miles	2023 Ford Escape
CD Building	143	2017 Chevrolet Equinox	44,422 Miles	2023 Ford Escape Hybrid
PRCS Older Adult Services	139	2016 Dodge Grand Caravan	106,270 Miles	2023 Dodge Grand Caravan

Three new vehicles are being purchased for new personnel to complete their assignments.

Department	Model
CD Code Enforcement Officer	2023 Chevrolet Colorado
IS Parks Maintenance	2023 Ford F-350
DPW Water & Sewer Light Equipment Operator	2023 Ford F-350

Vehicles #651, #697, and #693 are assigned to the DPW Field Operations Division and are used for transporting trailerable equipment, tools, materials, and staff to job sites. They are also equipped with plows for winter snow removal operations. Vehicle #147 is also assigned to Field Operations and is used to travel to and from each job site to inspect and verify the city-approved contractors' work.

Vehicle #641 is assigned to IS Parks Maintenance and is used to maintain the parks and move equipment, workers, and materials to and from job sites.

Vehicle #733 is assigned to the DPW Water and Sewer Division and is used for daily activities, such as sewage and water pump station maintenance, meter readings, meter repairs, water system flushing, and water quality testing. The F-350 will be equipped with a plow to provide access to Water's properties during winter events as well.

Vehicle #140 is assigned to Assessing and is used for site visits.

Vehicle #143 is assigned to Community Development Code Enforcement for all inspections and daily code patrol duties, signage removal, and citizen complaints investigations.

Vehicle #139 is assigned to the Older Adult Services Transportation program. It will be equipped with ADA upfits.

Each vehicle is customized with the proper equipment to optimize the work performance and safety of each city employee for a variety of tasks assigned to them. These twelve vehicles also align with the City's light-duty replacement plan to replace assets and equipment by capturing optimal resale values; thereby, bringing the overall cost of the units' life cycle as low as possible.

RECOMMENDED ACTION: Approval to purchase six 2023 Ford Police Explorer Hybrids, one 2023 unmarked police vehicle, seven 2023 Ford F-350s, two 2023 Ford Escapes, one 2023 Ford Escape Hybrid, one 2023 Chevrolet Colorado, and one 2023 Dodge Grand Caravan or equivalent and upfits, through any Cooperative Purchasing Contract; in the estimated amount of \$ 908,390

MEMORANDUM



TO: PETE AUGER, CITY MANAGER
FROM: JEFFREY HERCZEG, DIRECTOR OF PUBLIC WORKS
MICHAEL RHATIGAN, FLEET ASSET MANAGER
SUBJECT: 2023 LIGHT-DUTY VEHICLE PURCHASING CONSTRAINTS
DATE: AUGUST 23, 2022

The City has been successfully utilizing cooperative purchasing contracts when replacing and acquiring light-duty vehicles for the fleet. These cooperative contract prices are typically the most competitive since the quantities are much higher than an individual municipality bid.

Currently, the Fleet Division is exploring all applicable cooperative purchasing contracts, such as [National Auto Fleet Group](#) (Sourcewell), [State of Michigan](#) (MiDeal), and Macomb County, for the purchase of new and replacement vehicles this fiscal year. Market conditions have limited 2023 model year pricing, and 2022 pricing is no longer applicable because the 2022 model year ordering windows are closed.

Historically, the ordering banks for light-duty vehicles were open for 9-10 months within a fiscal year; however, due to the challenging global automotive environment, manufacturers are opening fewer build slots. Furthermore, inflation and raw materials costs have led to significant increases between the 2022 and 2023 model year pricing. The 2023 Police Ford Hybrid Explorer is priced at \$45,680, which is a 26% increase from the 2022 pricing of \$36,203.

For high-demand models, this means the order bank window could be open for less than 30 days. For example, the 2023 Ford F-150 ordering bank was open for 21 days. The inconsistent release of model year pricing and a shorter order bank does not provide enough time for the new model year pricing to be accepted by the cooperative purchasing contract before the bank closes.

While not all model ordering windows will be this short, staff is proactively planning for all possibilities. Based on this unusual situation, staff recommends consideration of approval from City Council to pre-authorize the purchase of the 19 light-duty vehicles budgeted this fiscal year via any appropriate cooperative purchasing contract when it comes available. This would allow the Fleet Division to submit orders to secure the limited build slots, while also using competitive bid pricing, which compiles with the City's Purchasing Policy. Quantities and/or budgets may need to be amended based on the final 2023 model year prices and inventory availability.

Fortunately, the City's light-duty fleet is in good condition because of the investments the City has been making on replacing vehicles at the lowest total cost of ownership. If the City

was unable to procure some 2023 model year vehicles, there would not be any substantial issues. The only department which may have conflicts are the police patrol vehicles, which have mileage limitations based on collective bargaining agreements. It is unsure how long the disruption or price increases to the automotive industry will last.

[State of Michigan \(MiDeal\) Vehicle Purchasing Program Notice](#)

2023 model year vehicles will go out to bid in September 2022 and awards will be posted on this site sometime in October 2022. MiDEAL is anticipating a lower number of 2023 model year vehicles available in our program due to shortages with all manufacturers.

FY 2022-23 LIGHT-DUTY VEHICLES BUDGETED

ID#	Project Name	GL Fund #	FY 2022-23
LDV001	Marked Vehicle Replacements and Equipment/Install - Police Dept (6 per FY)	GENERAL FUND 101	\$ 360,720
LDV002	Unmarked Vehicle Replacement - Investigations (1 per fiscal year)	GENERAL FUND 101	\$ 30,000
LDV011	Vehicle w/ Plow - DPW Field Operations (replace #693; 2011 Ford F-350)	GENERAL FUND 101	\$ 49,080
LDV013	Vehicle w/ Plow - IS Parks Maintenance (replace #641; 2014 Ford F-350)	GENERAL FUND 101	\$ 49,080
LDV014	Vehicle w/ Plow - DPW Field Operations (replace #697; 2013 Ford F-350)	GENERAL FUND 101	\$ 49,080
LDV015	Vehicle w/ Plow - DPW Field Operations (replace #651; 2014 Ford F-350)	GENERAL FUND 101	\$ 49,080
LDV012	Vehicle w/ Plow - DPW Water & Sewer (replace #733; 2016 Ford F-350)	WATER & SEWER FUND 592	\$ 49,080
LDV016	Vehicle - PRCS Older Adult Services (replace #139; 2016 Dodge Grand Caravan)	PRCS FUND 208	\$ 42,920
LDV017	Vehicle - CD Building (replace #143; 2017 Chevrolet Equinox)	GENERAL FUND 101	\$ 29,430
LDV018	Vehicle - DPW Field Operations (replace #146; 2017 Ford Escape)	GENERAL FUND 101	\$ 26,340
LDV019	Vehicle - Assessing (replace #140; 2016 Ford Escape)	GENERAL FUND 101	\$ 26,340
SIP005	Vehicle- additional Code Compliance Officer (new truck)	GENERAL FUND 101	\$ 49,080
SIP017	Vehicle- additional Parks Maintenance (new truck)	GENERAL FUND 101	\$ 49,080
SIP048	Vehicle- additional DPW-Water & Sewer Light Equipment Operator (new truck)	WATER & SEWER FUND 592	\$ 49,080