

Memorandum
From: Mark Lynch, Interim City Manager
To: City Council
RE: Admin Vehicle

Council,

I have spent a fair amount of time over the past few weeks chasing down information for an administration vehicle. Everything is changing daily, including prices. I feel the City should act soon to lock down a price, before there are none available. Here is a summary of what I have found.

State Purchasing Program

Ford and Chevy participate in a state purchasing program that is also available to municipalities. They are the only two companies that offer municipal pricing at this time. The vehicle I am recommending below is being purchased under this program, with a savings of \$9600 off list price.

Departmental Need

It will serve as Interim Manager vehicle, temporary Manager vehicle when the position is filled on a permanent basis, used to transport dignitaries and visitors, used for auditors, assessor and other necessary administration contractors.

Ford

The only Ford vehicles currently available for order (none in stock) are F-150s and Explorers. The Explorers are 4 cylinder turbocharged engines. I spoke to Jean and he says they would prefer not to have a turbocharged vehicle to maintain.

Any Ford vehicle would need to be ordered and would not arrive in Anchorage until at least June, and possibly later, according to the sales person I spoke with. My concern is that this could stretch until September and miss the entire barge season. Additionally, the City has experienced some warrantee issues with Ford recently. The cost of either is approximately \$37,000.

Chevrolet

Chevrolet has some vehicles arriving over the next month or so. The cost estimate for a pickup is around \$39,000. There is an option for a Blazer. It is somewhat small for the department's needs, but the Blazer is a 4 cylinder turbocharged engine, which PW prefers not to have in our fleet. I feel that for a \$2000 price difference the City will get a much better service from a 1500 pickup, and it will be much more versatile, and Jean agreed with this.

Dodge, Toyota, etc.

These brands do not have a government purchase agreement in Alaska, and the prices are significantly higher.

Used Vehicles

Currently used vehicles are selling for near new prices due to the limited availability of new vehicles. We are receiving state contract pricing on new vehicles, which for pickups is \$9600 less than retail. A two or three years old used vehicle is currently selling for a cost close to what we can buy a new one for.

Image

As mentioned previously, the administration vehicle will be used in the future to pick up contractors and dignitaries (possibly state or federal representatives and/or senators) at the airport, as well as possibly giving tours to these same people. I feel that the vehicle used for this should be something that provides a good first impression of the community.

Shipping

I am estimating no more than \$5000 for shipping. The last vehicle we had shipped from Anchorage was \$3909, about a year ago. But prices continue to rise.

Summary

It is my opinion that the City would be best served by purchasing a Chevy Silverado 1500 4x4 4 door pickup. We can be sure it will be delivered on one of the first barges this spring. With Ford we cannot even be sure that it will make it this summer at all. Chevy is not the least expensive, but the price difference is only about \$2000. I am including an action memorandum asking for the budget to be increased from \$35,000 to \$45,000. I will find the lowest priced vehicle that will fit our needs.