

MEMORANDUM

DATE: March 19, 2025
TO: Melissa R. Marsh, City Manager
FROM: Sean P. Ballantine, Director of Public Services
SUBJECT: Scheduled Replacement of Vehicle #424

The FY 2024-25 Budget includes funding for the scheduled replacement of Vehicle 424, a 2003 Sterling single-axle dump truck funded through the Solid Waste division.

This vehicle is utilized throughout the year for general maintenance hauling, watermain and other construction projects, leaf collection, and snow removal. At 22 years of age, it is in extremely poor condition as noted on the vehicle condition analysis, and warrants priority replacement.

The ongoing uncertainty in the vehicle production market due to lingering supply chain issues has recently been exacerbated by a number of proposed tariffs at the federal level. This has resulted in a significant increase in the price of the vehicle chassis and build, pushing it over the currently budgeted amount. Despite this, Staff feels strongly that it is in the City's best interest to purchase the vehicle now and lock in pricing, as historical purchasing patterns and further indicators of the market indicate not only continuing price increases, but increasing scarcity and extended lead times on vehicles. For reference, this vehicle as proposed is already slated as a 16-18 month delivery from time of order.

The chassis quote as presented includes a speculative tariff surcharge as a buffer; this is a high-end estimate, and would not be applied if relevant tariffs were no longer in effect at time of purchase.

Staff therefore recommends that Council approve the purchase of one 2026 Freightliner 108SD single-axle truck chassis as quoted from Wolverine Freightliner of Mt. Clemens in the amount of \$129,671, and the truck build and equipment as quoted from Truck and Trailer Specialties of Howell in the amount of \$194,795 through the Rochester Hills cooperative purchasing agreement. This represents a total purchase price of \$324,466.

Funding to cover the overage from the budgeted amount is available through the significant savings on the purchase of Forestry Truck 525 this past December.

City of Madison Heights
Department of Public Services
801 Ajax Drive
Madison Heights, Michigan 48071