



MEMORANDUM

Mayor and Council,
An update on our vehicle
purchases since authorization
was received back in
September.
- Victor

TO: VICTOR CARDENAS, INTERIM CITY MANAGER
CC: JEFFREY HERCZEG, DIRECTOR OF PUBLIC WORKS
FROM: MEGAN MIKUS, DEPUTY DIRECTOR OF PUBLIC WORKS
MICHAEL RHATIGAN, FLEET ASSET MANAGER
SUBJECT: FY 2022-23 LIGHT-DUTY VEHICLE PURCHASE SUMMARY
DATE: JANUARY 26, 2022

This memorandum provides an update on the light-duty vehicle purchases budgeted for this fiscal year. At the September 12, 2022 meeting, City Council approved the purchase of the 19 light-duty vehicles budgeted this fiscal year through any appropriate cooperative purchasing contract when it comes available.

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, all manufacturers are opening fewer build slots. Inflation and raw materials costs have led to increases between the 2022 and 2023 model year pricing. Government pricing, which used to be heavily discounted, is now more in line with retail pricing. The table below provides a summary of increased costs for models and upfits. On average, there was a 25% price increase.

Model Price Increase			
Model	2022 Model Year	2023 Model Year	Percent Increase
Truck (medium-duty/ F-350) with plow and upfits	\$ 49,084	\$ 68,226	39%
Truck (light-duty/ F-150) with upfits	\$ 30,424	\$ 38,062	25%
Crossover/ Escape Gas	\$ 26,345	\$ 32,085	22%
Crossover/ Escape Hybrid	\$ 29,437	\$ 34,975	19%
Crossover/ Escape Electric	\$ 31,851	\$ 38,791	22%
Police- Explorer Hybrids	\$ 36,593	\$ 45,680	25%
AVERAGE			25%

Several purchasing contracts were not in place before ordering banks were closed. The City utilized the following cooperative purchasing contracts- [State of Michigan](#) (MiDeal) for vehicle purchase and Rochester Hills RFP for upfits. The City has purchase orders input for the following vehicles:

- 3 Ford Interceptor Explorer Hybrids (Police-Marked)
- 7 Ford F-350s (DPW-Field Operations, DPW-Water & Sewer, and IS-Parks Maintenance)
- 1 Ford F-150s (Community Development)
- 2 Vehicle (Police- Unmarked)

Fleet was not able to obtain purchase orders for the following vehicles:

- 3 Ford Escapes (Community Development, DPW-Field Operations, Assessing)- Ordering bank closed in August.
- 1 Transit Van (OAS)- Department decided a transit van rather than the budgeted minivan would meet their needs; insufficient funds were budgeted, and the ordering bank is closed.
- 1 Vehicle (Police-Unmarked)- Ordering bank for the model chosen by the department is closed.

These vehicles' budgets have been recommended to be rolled over or reprogrammed in the upcoming fiscal year's budget.

Fleet will be evaluating the total cost of ownership of each model type as the increased purchase price impacts the ideal replacement schedule in future budget recommendations. It is unsure how long the disruption or price increases to the automotive industry will last. Attached is a summary of the budgeted light-duty vehicles ordered in the current fiscal year.

FY 2022-23 LIGHT-DUTY VEHICLES PURCHASE SUMMARY

ID#	Project Name	GL Fund #	Budget	Estimated Purchase Price	Notes
LDV001	Marked Vehicle Replacements and Equipment/Install - Police Dept (6 per FY)	GENERAL FUND 101	\$360,720	\$195,807	Purchase order in place for 3 Hybrids Explorers (lower number was determined based on patrol fleet mileage); Upfits expensed from different account and average \$20K per vehicle.
LDV002	Unmarked Vehicle Replacement - Investigations (1 per fiscal year)	GENERAL FUND 101	\$30,000	\$79,744	Purchasing Order in the ordering bank. Additional vehicle was purchased for Police Investigations (unmarked) from savings due to less Police Patrol (marked) cars being ordered.
SIP005	Vehicle- additional Code Compliance Officer (new truck)	GENERAL FUND 101	\$49,080	\$35,417	Purchasing Order in the ordering bank; wrong model truck was budgeted.
SIP017	Vehicle- additional Parks Maintenance (new truck)	GENERAL FUND 101	\$49,080	\$68,413	Purchasing Order in the ordering bank.
SIP048	Vehicle- additional DPW-Water & Sewer Light Equipment Operator (new truck)	WATER & SEWER FUND 592	\$49,080	\$68,226	Purchasing Order in the ordering bank.
LDV011	Vehicle w/ Plow - DPW Field Operations (replace #693; 2011 Ford F-350)	GENERAL FUND 101	\$49,080	\$71,858	Purchasing Order in the ordering bank; Crew cab being purchased.
LDV013	Vehicle w/ Plow - IS Parks Maintenance (replace #641; 2014 Ford F-350)	GENERAL FUND 101	\$49,080	\$68,413	Purchasing Order in the ordering bank.
LDV014	Vehicle w/ Plow - DPW Field Operations (replace #697; 2013 Ford F-350)	GENERAL FUND 101	\$49,080	\$65,913	Purchasing Order in the ordering bank.
LDV015	Vehicle w/ Plow - DPW Field Operations (replace #651; 2014 Ford F-350)	GENERAL FUND 101	\$49,080	\$67,266	Purchasing Order in the ordering bank.
LDV012	Vehicle w/ Plow - DPW Water & Sewer (replace #733; 2016 Ford F-350)	WATER & SEWER FUND 592	\$49,080	\$68,226	Purchasing Order in the ordering bank.
LDV016	Vehicle - PRCS Older Adult Services (replace #139; 2016 Dodge Grand Caravan)	PRCS FUND 208	\$42,920	\$ -	Department decided a transit van better fits their needs, which is more than the budgeted amount (\$75K); Recommends funds to be rolled over.
LDV017	Vehicle - CD Building (replace #143; 2017 Chevrolet Equinox)	GENERAL FUND 101	\$29,430	\$ -	Ordering bank is currently closed; vehicle was not ordered.
LDV018	Vehicle - DPW Field Operations (replace #146; 2017 Ford Escape)	GENERAL FUND 101	\$26,340	\$ -	Ordering bank is currently closed; vehicle was not ordered.
LDV019	Vehicle - Assessing (replace #140; 2016 Ford Escape)	GENERAL FUND 101	\$26,340	\$ -	Ordering bank is currently closed; vehicle was not ordered.