

**CITY COUNCIL
STAFF REPORT**

DATE: February 7, 2012
FROM: Terry W. Pickel, Assistant Superintendent, Water Department
SUBJECT: Approval of budgeted vehicle purchases.

DECISION POINT:

Staff is requesting Council approval to purchase a 2012 Dodge 1500 pickup From Dave Smith Motors and a Dodge 3500 cab/chassis from Mountain Home Auto Ranch, current State Bid vendors.

HISTORY:

The Water Dept. routinely budgets annually for rolling stock replacement. For fiscal year 2012 we are planning to replace a 1999 Ford F150 pickup and a 1995 GMC flatbed. Typically staff schedules to replace these vehicles when they near or exceed 100,000 miles and/or 10 years of service, dependent on severity of use. These two vehicles now meet exceed one or both of those criteria. Staff utilized the Idaho State Vehicle Bid to establish a base vehicle specification and then also solicited quotes from local Dodge, Chevrolet and Ford vendors. Usually a local vendor can meet the lowest State Bid price so we prefer to purchase locally if possible. However, this year the Dodge franchise switched vendors and the new local vendor chose not to submit a quote. None of the other local vendors was able to meet the lowest State Bid price which was for Dodge vehicles.

FINANCIAL ANALYSIS:

The Water Dept. currently has an approved line item in the budget for fiscal year 2011-2012 for purchase of replacement rolling stock. The current budget line item is \$60,000.00. The State bid for the Dodge 1500 series truck with all applicable fees included was for \$19,550.36 from Dave Smith Motors of Kellogg. Lakecity Ford quoted an equivalent F150 for \$20,446.00 and Knudtsen Chevrolet quoted an equivalent 1500 series for \$22,500.00. The State bid for the Dodge 3500 series cab/chassis with all applicable fees included was for \$22,409.66 from Mountain Home Auto Ranch. Lakecity Ford quoted an equivalent F350 for \$22,711.00 and Knudtsen Chevrolet quoted an equivalent 3500 series for \$23,900.00. The trucks being replaced will be made available to other city departments for addition to their fleet.

PERFORMANCE ANALYSIS:

Utilizing the state bid offers several advantages for the City. Specifically, the state bid has already performed all of the administrative work required to bid, evaluate and award contracts. The contracts ensure that all vehicles bid are of similar types and duty range and any desired option is equally accounted for. This saves countless hours in administrative time and offers the most cost effective and quality vehicles to the City. The City can also use these specs to solicit quotes from local vendors as well. This gives them the chance to compete and keep City business as local as possible.

QUALITY OF LIFE ANALYSIS:

As a continuing practice to provide high quality services to our customers for an affordable utility rate, the Water Department must continually seek the most effective cost reduction measures available while maintaining the highest level of performance. The Water Department rolling stock plays an integral role in timely response for customer service and system maintenance. Continual use of an aging fleet requires more frequent and costly maintenance and repairs thereby driving up operating costs. By replacing the rolling stock prior to the need for major repairs, operating costs are reduced thus requiring less long term revenue adjustments. The lower initial purchase price also plays a key role in keeping the overall operating costs even lower.

DECISION POINT/RECOMMENDATION:

Staff requests authorization from City Council to purchase a 2012 Dodge 1500 pickup From Dave Smith Motors for \$19,550.39 and a Dodge 3500 cab/chassis from Mountain Home Auto Ranch for \$22,409.66, the current State Bid vendors.