

**COUNCIL ACTION FORM**

**SUBJECT: FLEET REPLACEMENT PROGRAM – ONE TRUCK CHASSIS FOR TECHNICAL SERVICES DIVISION OF ELECTRIC SERVICES DEPARTMENT**

**BACKGROUND:**

The Technical Services Division of the City’s Electric Department provides maintenance and repair of the City’s electric substations. Critical to the work performed by the technicians is a medium-duty crew cab truck equipped with a covered utility body and liftgate. This truck supports the substation crews by pulling trailers and functioning as an onsite workshop with supplies.

The truck currently used for this work is a 2010 Ford F-450. It is scheduled for replacement in FY 2021/22 fiscal year with a like truck. In staff’s first solicitation for bids, no bids were received. A second bid solicitation was issued, resulting in one bid received as follows:

BIDDER	MAKE	MODEL	YEAR	Total for one Chassis
Stew Hansen Dodge RAM of Des Moines, IA	RAM	4500 Crew Cab	2022	\$54,580

BIDDER	OPTION	PRICE
Stew Hansen Dodge RAM of Des Moines, IA	Safety Strobe Lighting Package	\$995

The bid from Stew Hansen Dodge of Des Moines is acceptable and meets the City’s required specifications. Delivery of the chassis is not expected until after October 2022. A separate solicitation for bids is underway to equip the truck with a covered utility body, liftgate, and accessories.

<b>Purchase price for one RAM 4500 chassis from Stew Hansen</b>	\$ 54,580
Safety Lighting package	995
<u>Estimated cost for utility body, liftgate, and accessories</u>	<u>48,000</u>
<b>Total for Chassis with Lighting</b>	<b>\$103,575</b>

**When the existing truck chassis (#316) was purchased in 2010, the utility body from the previous truck was mounted on it, saving the cost of purchasing a new utility body. This utility body is now in need of replacement at the time the chassis is replaced. However, staff has determined that the amount of replacement funding being saved annually for this truck was based only on the expected cost of a**

**chassis, not the total cost of a chassis and utility body. Therefore, the purchase of the replacement vehicle requires approximately \$34,000 of additional funding to complete, as indicated in the table below.**

**Funding is available for this purchase as follows:**

Existing Truck #316 Replacement Funds (February 15, 2022)	\$ 63,878
Operating Department Support	34,000
Salvage Value of equipment being replaced	7,000
<b>Available funding</b>	<b>\$104,878</b>

**Because the City will not take delivery of the vehicle until FY 2022/23, payment will not be made until that time. City staff will evaluate the Electric Department's operating budget at the conclusion of the current fiscal year in June, and will identify sufficient unspent funds to carryover for the purpose of completing this purchase.** Staff will also undertake an evaluation of the amount of replacement funding being escrowed with this and other vehicles to ensure sufficient funding is being reserved for future vehicle replacement.

**ALTERNATIVES:**

1. Award a contract to Stew Hansen Dodge RAM of Des Moines for the purchase of one 2022 RAM 4500 crew cab chassis with safety strobe lighting in the amount of \$55,575.
2. Reject this bid.

**CITY MANAGER'S RECOMMENDED ACTION:**

Staff from Fleet Services and Electric Service have thoroughly evaluated this bid and agree that purchasing the chassis will meet the needs of the department.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.