


## AGENDA REPORT

TO: Mayor Pat Humphrey and the Clare City Commission  
FROM: Ken Hibl, City Manager  
DATE: July 14, 2010  
RE: Approval of Purchase: New DPW Pick-Up Truck 

For the Agenda of July 19, 2010

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**Background.** The approved 2010/2011 Budget for the City included an appropriation in the Mobile Equipment Fund to purchase a new ¾-ton pick-up truck with a specified, installed Meyer Snow Plow. Upon approval of the budget, the City solicited local bids and checked the cost of the vehicle through the state buying program. We received three bids (see copy of att'd bid memo and tabulation sheet), the lowest being from Kraphol Ford-Lincoln Mercury of Mt. Pleasant. Kraphol Ford offered a 2011 model vehicle; the other two local bidders and the state buying program offered 2010 models.

The City Commission is asked to approve the purchase of a new truck.

**Issues & Questions Specified.** Should the Clare City Commission approve the purchase of a new ¾-ton pick-up truck and snow plow?

**Alternatives.**

1. Approve the purchase locally from the low bidder.
2. Approve the purchase locally from other than the low bidder.
3. Approve the purchase through the state buying program.
4. Disapprove the purchase of a new vehicle.
5. Set the matter aside for consideration at a later-scheduled commission meeting.

**Financial Impact.** If the City Commission approves the purchase of the vehicle from Krapohl Ford (the low bidder), the cost to the City will be \$27,358.60. If the City purchases the vehicle through the state buying program, the cost will be approximately \$25,642 (we will be required to purchase the snow plow locally, as the buying program does not list a truck with a plow). If the Commission approves the purchase from either of the other two local bidders, the cost will be \$33,341.2 (Benchley Bros.) or \$33,549 (McGuire's), respectively. We budgeted \$35K for this purchase.

**Recommendations.** I recommend that the Clare City Commission approve the purchase of this vehicle from Kraphol Ford Lincoln-Mercury by adoption of Resolution 2010-078 (*copy att'd*). I offer two primary reasons for this recommendation: the importance of supporting our local business community when practical and prudent; and the fact that they offered a 2011 model vehicle.

**Attachments.**

1. Memo & Bid Tabulation Sheet.
2. Resolution 2010-078.

## MEMORANDUM

**TO:** Ken Hibl, City Manager  
**FROM:** Bob Bonham, Director of Public Works  
**DATE:** July 13, 2010  
**SUBJECT:** Pickup Bid

We recently advertised to purchase a new 2010 or 2011 regular cab pickup with automatic transmission, 8' box, ¾ ton capacity, with a Meyer Model #SV-8.5 Snow Plow fully installed with lighting package. Three bids were received as follows:

Krapohl Ford-Lincoln Mercury Mt. Pleasant, MI 48858 989/772-5974	\$27,358.60 - 2011 Ford F250
Benchley Brothers 821 E. Fifth, Clare, MI 48617 989/386-9909	\$33,341.26 - 2010 GMC Sierra 2500
McGuire Pontiac/Chevrolet 712 W. Fifth, Clare, MI 48617 989/386-7714	\$33,549.00 - 2010 Chevrolet Silverado 2500

An equivalent vehicle through the State Purchasing Program would be the 2010 Ford F250 which is \$19,941.00 and we would need to purchase the Meyers snow plow separately and have it installed. The estimated cost for this would be \$5,710.50, making the total cost for this vehicle \$25,642.50 [a difference of \$1,707.10 from the low bid of local dealers].

I leave it to the Clare City Commission whether they would prefer to purchase locally or through the State Purchasing Program.

A copy of the bid tabulation is attached.

BB:cd

Bid Tabulation Attached

**PURCHASING A 2010 or 2011  
REGULAR CAB PICKUP – RED IN COLOR**

**BIDS DUE TUESDAY, JULY 13, 2010 AT 2:00 P.M.**

<b>BIDDER NAME &amp; ADDRESS</b>	<b>VEHICLE MAKE</b>	<b>BID</b>
Benchley Brothers 821 East Fifth Street Clare, MI 48617 386-9909	2010 GMC Sierra 2500 with Meyer 8.5 Plow	\$33,341.26
Swaffer's Gateway Chrysler 624 West Fifth Street Clare, MI 48617 386-7779	<b>NO BID</b>	
McGuire Pontiac/Chevrolet 712 West US-10 Clare, MI 48617 386-7714	2010 Chevy Silverado 2500 with Meyer 8.5 Plow	\$33,549.00
Krapohl Ford-Lincoln Mercury 1415 East Pickard Mt. Pleasant, MI 48858 989/772-5974	2011 Ford F250 with Meyer 8.5 Plow	\$27,358.60
Scott McNamara Ford Mercury 340 South M-18 Gladwin, MI 48624 989/426-9218	<b>NO BID</b>	
State Purchasing Program	2010 Ford F250	\$19,941.00*

*\*If we go with the State Purchasing Program, the Meyer SV-8.5 Plow from Kubota Central, Clare, is \$5,710.50*

**Sealed bids were opened on Tuesday, July 13, 2010 at 2:00 p.m.**

**by Bob Bonham, Director of Public Works, assisted by Cathy Davis.**

**RESOLUTION 2010-078**

**A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING THE PURCHASE OF A NEW PICK-UP TRUCK.**

**WHEREAS**, the 2010/2011 Capital Equipment Purchase budget of the Mobile Equipment Fund included the purchase of a new pick-up truck to replace the oldest ¾-ton utility truck in the City's DPW fleet; and

**WHEREAS**, upon approval of the proposed 2010/2011 Budget for the City of Clare, the City solicited local bids for purchase of said truck; and

**WHEREAS**, the City received three bids from local vendors that met the City's bid specifications; and

**WHEREAS**, the low bid submitted and accepted was provided by Krapohl Ford-Lincoln Mercury of Mt. Pleasant; and

**WHEREAS**, the City also confirmed the cost of a new truck meeting the City's bid specifications through the state buying program; and

**WHEREAS**, the cost of said vehicle through the state buying program was approximately \$1,770 less than the low bid offered by Krapohl Ford-Lincoln Mercury; and

**WHEREAS**, the model year of the vehicle offered by Krapohl Ford-Lincoln Mercury is a 2011 model and all other vehicles offered for purchase, to include the vehicle through the state buying program, are 2010 models; and

**WHEREAS**, the City Commission considered the "buy-local" factor in making its purchase decision for this vehicle.

**NOW THEREFORE BE IT RESOLVED** that the City Commission of the City of Clare hereby approves the purchase of a 2011 model three-quarter-ton, four-wheel drive pick-up truck with a specified, fully installed Meyer Model #SV-8.5 Snow Plow from Krapohl Ford-Lincoln Mercury for a purchase price not to exceed \$27,358.60.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

The Resolution was introduced by Commissioner \_\_\_\_\_ and supported by Commissioner \_\_\_\_\_. The Resolution declared adopted by the following roll call vote:

**YEAS:**

**NAYS:**

**ABSENT:**

Resolution approved for adoption on this 19<sup>th</sup> day of July 2010.

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Diane Schmidt, City Clerk