



MAYOR & COUNCIL COMMUNICATION

DATE: March 17, 2015
CONSENT
ITEM #6
MOTION

AGENDA ITEM: Approval of Vehicle Purchase, Replacement of Tahoe Duty Vehicle

SUBMITTED BY: Greg Malmquist, Fire Chief

THROUGH: Greg Malmquist, Fire Chief

REVIEWED BY: Finance Director and Finance Committee

SUGGESTED ORDER OF BUSINESS:

- Introduction of Item City Administrator
- Report/Presentation..... Fire Chief
- Questions from Council to Staff..... Mayor Facilitates
- Call for Motion Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

POLICY RECOMMENDER: Fire Department

FISCAL IMPACT: Up to \$38,585.34 (To be offset by funds recovered through the sale of the existing vehicle).

This vehicle was proposed as part of the 2015 budget in the Capital Improvement Plan and if approved would be included in the 2015 bonding. As a general fund expenditure, the bond payments would be made with levy funds.

Pricing for the vehicle was obtained through Minnesota Materials Management Division (State Contract). Vehicle cost, 2015 Chevrolet Tahoe - \$31,594.10, Lighting/Siren, Radio conversion, Extendo Bed transfer - \$6,836.24 and Graphics removal and installation - \$155.00. Total cost = \$38,585.34. Potential offset from the sale of the current vehicle = \$19,100.00

SUMMARY AND ACTION REQUESTED: The Fire Department has been working to move toward a scheduled replacement of our fleet to reduce maintenance costs and ensure dependable, reliable emergency response vehicles. To this end, it is being respectfully requested that the City Council consider approval of this purchase to allow for us to stay on a vehicle replacement

schedule that would allow for the cycling a vehicles to maximize their trade in value. The current vehicle, a 2008 Chevrolet Tahoe (CV1), has approx. 80,000 miles, is showing signs of wear and the lighting is beyond the 5 year warranty. It is believed that the vehicle is at the point where the resale value is significant while allowing us to avoid the increased maintenance costs that have begun to transpire. This vehicle has been fully depreciated and has a net book value of zero.

The potential purchase of this replacement vehicle was presented to the Finance Committee in 2014 with the proposal of the 2015 Budget. At that time, it was anticipated that the cost would be \$52,000. It should be noted that when preparing the 2015 budget, the state contract pricing was not available so retail pricing was presented.

The Minnesota state contract pricing is significantly less, however this pricing is only available through March 31st.

Based on the historical purchase of vehicles similar to this, we were uncertain if we would offer the current vehicle for resale or if the City would decide to keep it and possibly utilize it within another department. Therefore we did not factor in any offset of resale dollars.

This proposed purchase was presented to the Finance Committee on March 11th and they approved and recommended moving forward in process with the presentation to the City Council for final approval to purchase.

As part of its Consent Agenda, no formal motion is required. If removed from the Consent Agenda, the recommended motion is as follows:

“Move to approve the purchase of a replacement Fire Department Command Vehicle in the amount not to exceed \$39,000.”

LEGISLATIVE HISTORY: NA

BACKGROUND INFORMATION (SWOT):

Strengths	Provide a dependable, more reliable vehicle to serve the taxpayers and hold down maintenance costs.
Weaknesses	Current vehicle is showing signs of age and use. All the emergency lighting is out of warranty and should we decide to retain the current vehicle, upgrades/expense will be necessary.
Opportunities	The purchase of this vehicle will help to ensure a timely response to emergencies. The continued cycling of vehicles will ensure lower maintenance costs and stronger trade in/resale values.
Threats	Potential “out of service” periods due to breakdowns.

RECOMMENDATION: Based on the aforementioned, the Fire Department recommends upgrading the Tahoe duty vehicle as outlined above.
Motion to approve the following:

“Move to approve the purchase of a replacement Fire Department Command Vehicle in the amount not to exceed \$39,000.”

ATTACHMENTS:

1. Quote from Ranger GM on MN State Contract (\$31,594.10)
2. Quote from Emergency Automotive Technologies Inc. (\$6,836.24)
3. Quote from Advanced Graphics (\$155.00)