



City Council Report

Date: August 25, 2014
To: City Council
Through: Alex Deshuk, Manager of Technology and Innovation
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: Purchase of Thirty-Nine Replacement Sports Utility Vehicles (SUVs) for the Police Department (**Funded by the Vehicle Replacement Fund**) (**Citywide**)

Purpose and Recommendation

Council is requested to approve the purchase of thirty-nine Police SUVs as recommended.

Fleet Services, Police and Purchasing recommend authorizing purchase from the lowest priced, responsive and responsible bidder, Midway Chevrolet Nissan Isuzu at \$1,389,746.26.

Background / Discussion

This purchase will provide thirty-nine Police Patrol SUV – Chevrolet Tahoes, rear-wheel drive vehicles for the Police Department. Thirty-six vehicles are being replaced as part of the ongoing City of Mesa vehicle replacement program managed by Fleet Services. These vehicles have met established criteria and will be retired and sold at auction. Three vehicles were damaged in vehicle accidents and will also be replaced.

The City solicited bids for 2014 and 2015 Tahoes. Midway Chevrolet offered pricing for the current 2015 model production and 2014 model; Courtesy and Sands Chevrolet only bid the 2015 model. Midway is the lowest priced for both year's model, offered \$30,969.00 for the 2014 Tahoe and \$32,898.41 for the 2015 Tahoe; a difference of \$1,929.31 less per vehicle for the 2014 Tahoe.

At the time bid responses were due (July 15th), Midway had inventory of thirty-one new 2014 Tahoes available until sold, and offered pricing for both model years. It is the City's intent and recommendation to purchase the (31) 2014 Tahoes from inventory, or as many as are available, for the best cost savings to the City. The potential cost savings is \$64,772.72, including sales taxes.

The award recommendation is for the purchase of (39) 2015 models at \$1,389,746.26. The additional funding is in case the 2014 Tahoes are no longer available at the time of Council award. After Council award, Fleet Services and Purchasing will proceed with the purchase of as many of the 2014 Tahoes remaining in Midway's inventory. The total amount for the purchase will be less than the Council award on August 25th.

Alternatives

Council may choose not to authorize the purchase and new responses will be solicited.

Fiscal Impact

This purchase is funded by the Vehicle Replacement Fund.

Coordinated With

Fleet Services, Police and Purchasing

PURCHASING INFORMATION

Action: Initial award

Procurement Type: Invitation for Bids

Solicitation Number: 2014289

Vendors Registered: Bid List 98 (11 Mesa), ProcureAZ 458 and Vendor Self Service 16 (2 Mesa)

Advertising: Arizona Republic, Bid Net, ProcureAZ and Purchasing Website

Downloads: Twenty

Protests Received: None

Pricing: All pricing shall be firm for the two-year term of the contract and include all transportation, insurance and warranty costs

Pricing Available to Other Cooperative Agencies: Yes

July 15, 2014 Responses:

	(Recommended)
Midway Chevrolet Company Phoenix, AZ	<u>2015 Model Year (36) - \$1,184,360.76 (\$32,898.91 each)</u> 2015 Model Year (5) - \$ 164,494.55 (\$32,898.91) 2014 Model Year (31) - \$ 960,057.60 (\$30,969.60 each)
Courtesy Chevrolet Phoenix, AZ	2015 Model Year (36) - \$1,187,903.88 (\$32,997.33 each) 2014 Model Year - No Bid
Sands Motor Company Glendale, AZ	2015 Model Year (36) - \$1,240,081.56 (\$34,446.71 each) 2014 Model Year - No Bid
Thorobred Chevrolet Chandler, AZ	Non-Responsive (Did not price all items as required by the bid solicitation.)

"No Bid" Response received from:

Vanguard Truck Center – Phoenix, AZ

AWARD RECOMMENDATION

Midway Chevrolet

Phoenix, AZ

Description	
Quantity (39) – 2015 Police Patrol SUV – Chevrolet Tahoe per Term and Conditions, Specifications and Pricing as offered - \$32,898.91/each	
Base	\$1,283,057.49
8.3% Sales Tax	\$106,493.77
\$5.00 Tire Tax per Vehicle	<u>\$195.00</u>
Total (for 39 Vehicles)	<u>\$1,389,746.26</u>
<u>Thirty-Eight</u> replacement vehicles (#1234, 1253, 1279, 1296, 1539, 1555, 1556, 1574, 1584, 1604, 1628, 1642, 1645, 1800, 1814, 1881, 1892, 2001, 2011, 2015, 2027, 2028, 2029, 2031, 2032, 2036, 2037, 2040, 2041, 2043, 2047, 2061, 2069, 2070, 2075, 872, 1841, 1241 and 1525) for the Police Department. This purchase is funded by the Vehicle Replacement Fund.	