

## MEMORANDUM

DATE: December 16, 2020

TO: Dan Duchniak

FROM: Kelly Zylstra

RE: Replacement Fleet for 2021

The 2021 Capital Fleet Account #3920 contains \$132,000 for the purchases of fleet. It is key to keep in mind the budget factors in the trade in value of the vehicle being replaced, not just the purchase price of the new vehicles. The plan at the time of budgeting was to replace Fleet #11, #19, #78 and #80; however, after additional consideration by staff, we are proposing a modification to the replacement plan with the overall budget remaining the same.

One modification that we are proposing this year is how we make our purchases. Rather than doing what we have always done and go out for bids for trucks through various dealerships, we have been working with Jon Weinkauff at the City to utilize the computerized system for State bidding, and the collective purchasing power it brings. Initial research indicates that the current pricing is slightly better than what we paid for trucks in 2020. Also, in 2020, despite our ordering in February, it was October before all of the trucks arrived. Using the combined system with the City, Jon estimates that despite COVID delays, we should have our trucks in late April. In addition, by purchasing with Jon's assistance, he will be aware of what vehicles we have and what maintenance parts we may need, making it faster and easier for the City to perform the repairs/non-oil change maintenance on our fleet.

Another modification we are proposing is rather than trading in the vehicles to the dealership that we purchase the new truck from, we are proposing to sell them on Wisconsin Surplus. This is the same method we used to sell several vehicles that were deemed excess due to the purchase of the MudDog this Fall. The minor complication is that the sale prices we will get for the vehicles we are replacing is not known at this time; however, based on recent experience, we are confident that the sale prices will be higher on average than the trade in value to a dealership.

The 2021 budget contains \$30,000 to replace Fleet #11. This is a 2009 Chevy Silverado 1500 pick-up truck, with 81,728 miles on it, driven daily primarily by the Assistant Operations Manager. The replacement of this vehicle is being proposed as a Ford F150, 4WD, Crew Cab for \$31,125. The difference between the purchase price and the budget number will be made up by the future sale of the Silverado. For reference, at the time of this memo there is a 2002 Silverado with over 150,000 miles listed on Wisconsin Surplus at a current bid of \$1,150 and another week left for bids to come in. Based on what we saw earlier this Fall, the serious bids come in during the last day or two prior to close.

The budget also contains \$27,000 to replace Fleet #78. This is a 2010 Ford Ranger, with 87,081 miles on it, driven daily by one of our meter technicians. The replacement of this vehicle is being proposed as a Ford Ranger, 2WD, Extended Cab for \$24,579.50. Fleet #78 will be sold on Wisconsin Surplus.

The budget contains \$27,000 to replace Fleet #80. This is a 2010 Ford Ranger, with 39,743 miles on it, driven occasionally during the year, but deployed daily when summer helps is here. Given the lower usage of this vehicle, and its present condition, we are proposing to push its replacement to 2022. In its place this year, we are proposing to replace Fleet #79. This is a 2012 Chevy Colorado, 2WD, with 28,671 miles on it, driven daily by our technical service group for water main inspection work. The replacement of this vehicle is being proposed as a Ford Ranger, 2WD, Extended Cab for \$24,579.50. Fleet #79 will be sold on Wisconsin Surplus.

The budget contains \$48,000 to replace Fleet #19. This is a 2007 GMC 3500 with service body with 50,929 miles on it, and an aftermarket valve turning system. Following the purchase of our 2018 valve turner/vac truck this vehicle is deployed less and less. However, it will be deployed during the unidirectional flushing program. We are proposing to hold on the replacement of this vehicle until after the UDF program, perhaps as late as 2023, to determine what functionality, we will truly need at that time.

In place of replacing Fleet #19 at this time, we are proposing the purchase of a second "little dump", similar to Fleet #83. We are finding that using a smaller dump truck (2.5-3.7 cu yd bed) allows us greater flexibility when performing certain jobs. This is partially due to the purchase of the MudDog, and partially due to the type of work that our crews are moving toward; fewer service replacements and more valve/hydrant replacements. The smaller dump trucks will never replace the need for full size dump trucks when it comes to hauling stone for main breaks, but when doing landscaping and other "smaller" jobs they are easier to maneuver, contain the right amount of material for the task, and since they do not require a CDL can be driven by qualified summer help when doing the routine landscaping at our 26 stations each May and June. Currently landscaping by summer help is done using Ford Rangers, therefore the use of a small dump will also increase their speed and efficiency when hauling mulch which will allow them to move onto hydrant maintenance sooner in the summer. For our second "little dump", we are proposing the purchase of a Ford F450, 4WD with dump box for \$54,997.

This would bring our total purchase price of 2021 fleet to \$135,281 which does not include the sale prices of the three vehicles that will be sold in later this year on Wisconsin Surplus; which is estimated to be around \$15,000.

**Recommended Motion:** Move to approve the purchase of two Ford Rangers, 2WD, Extended Cab, one Ford F150, 4WD, Crew Cab, and one Ford F450, 4WD with dump box, with the future (2021) sale of Fleet #11, #78 and #79 at a total cost to the utility not to exceed \$132,000.