



## Legislation Text

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**File #:** 22-0769R, **Version:** 1

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### RESOLUTION AUTHORIZING THE SOLE SOURCE PURCHASE OF FIVE 2023 CHEVY EXPRESS VANS FROM NORTH COUNTRY GM IN THE AMOUNT OF \$165,219.15.

#### CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to contract with North Country GM for the sole source purchase of five (5) 2023 Chevy Express Vans in the amount of \$165,219.15, payable as follows:

- \$ 78,943.34 520-500-1905-5580 (gas, public works and utilities, capital (incl deprec/debt svc), capital equipment)
- \$ 19,735.84 510-500-1905-5580 (water, public works and utilities, capital (incl deprec/debt svc), capital equipment)
- \$ \$66,539.98 250-015-2022-5580, CE250-V2206 (capital equipment, public administration, Fiscal Year-2022, capital equipment; capital equipment fund 250, parks and rec - vehicles and equipment)

STATEMENT OF PURPOSE: This resolution authorizes the sole source purchase of five 2023 Chevy Express Vans, three of which will be outfitted as cargo vans to be used by the Public Works and Utility group with a unit price of \$32,893.06, and two will be outfitted as extended passenger vans to be used by the Parks and Recreation Division with a unit price of \$33,269.99.

A 2014-2015 Fleet study found that City vehicle maintenance costs are reduced when units are traded in, repurposed, or auctioned when reaching twelve (12) years of age. The three Public Works and Utility vans, units 1753, 1753 and 1768, have all reached this threshold. Parks and Recreation is replacing unit 8989, a 2005 model year van that has reached the end of its useful life. Their second new van is an addition to their program, which will expand their ability to transport participants to events across the city.

These purchases would typically be made against a state contract or other cooperative venture, but due to the extremely short model year windows due to material shortages, there is no cooperative purchasing venture available. In addition, vendors are not able to provide comparable quotes because the 2023 model year vehicles are not available. North Country GM has build spots available that the City of Duluth can use to purchase these vehicles at a price that is consistent with recent state contract prices, and is less expensive than other vehicle options previously researched and no longer available. In other words, the prices have been determined to be reasonable. Failure to purchase these 2023 model year vehicles will mean waiting until 2024 model year vehicles are available, which will result in increased maintenance costs and purchase price for the City.