

MEMORANDUM

TO: Programs, Projects and Operations Subcommittee

RE: Purchase of 2009 District Trucks

DATE: October 1, 2009

FROM: Jean Friends Tait, Purchasing Agent

In conjunction of the approval of the FY 2009 budget, request for bids for the purchase of the following was received and opened on September 30, 2008 at 2:00 p.m. in the District Office. The bid summary sheet is attached for your review. All submitted bids met required specifications. My recommendation is as follows:

Two – 2009, Compact/Mid-Size Extended Cab, 4WD, Pickup Trucks (Bid Item A): The staff recommends that the low and best bid of \$26,110 from Woodhouse Ford be accepted with trade-in of the District's 2003 Ford Ranger, serial number 1FTZR11E93PA37220 and 2005 Chevrolet Colorado, serial number 1BCDT196858187759.

For consideration, Dick Sklenar has attached a memo in support of the purchase for the following:

Two – 2009, Compact/Mid-Size Extended Cab, 4WD, Pickup Trucks (Bid Item A): The Rural Water District recommends that the best bid of \$29,406 from Woodhouse Ford be accepted with trade-in of the District's 2003 Ford Ranger, serial number 1FTZR11E93PA37220 and 2005 Chevrolet Colorado, serial number 1BCDT196858187759.

The 2009 Ford trucks come to an expensed total of \$26,110 and the 2009 Chevrolet trucks come to an expensed total of \$29,406 bringing both bids within the budgeted amount of \$40,000 for both vehicles (\$20,000 was budgeted for each vehicle).

Bid Summary Form

Opening: September 30, 2008
2:00 p.m.

Dealer/Make	Anderson Ford	Atchley	Lee Sapp	Woodhouse Ford
A. Total Price	\$38,828	\$38,438.80	\$38,790	\$39,110
B. Total Price with trade-in	\$28,828	\$26,938.80	\$26,790	\$26,110
C. Trade-in allowance	\$10,000	\$11,500	\$12,000	\$13,000
D. Delivery Date	ASAP	6-9 weeks	6-8 weeks	12-16 weeks
E. Warranty	3yr-36,000BB 5 yr-60,000 PT	3yr-36,000BB 5 yr-60,000 PT	3yr-36,000BB 5 yr-60,000 PT	3yr-36,000BB 5yr-60,000PT
F. Vehicle Type	Ford Ranger	Ford Ranger	Ford Ranger	Ford Ranger
G. Engine Size	4.0 L V-6	4.0 L V-6	4.0 L V-6	4.0 L V-6

Bid Summary Form

Opening: September 30, 2008
2:00 p.m.

Dealer/Make	Old Mill Toyota	Gregg Young	Knoepfler	Woodhouse Ford
A. Total Price	\$51,912	\$41,878	\$41,398	\$42,406
B. Total Price with trade-in	\$41,412	\$30,878	\$31,598	\$29,406
C. Trade-in allowance	\$10,500	\$11,000	\$9,800	\$13,000
D. Delivery Date	ASAP	ASAP	6 weeks	12-16 weeks
E. Warranty	3yr-36,000BB 5yr-60,000PT	3yr-36,000BB 6yr-100,000PT	3yr-36,000BB 6yr-100,000PT	3yr-36,000BB 5yr-100,000PT
F. Vehicle Type	Toyota Tacoma	Chevy Colorado	Chevy Colorado	Chevy Colorado
G. Engine Size	4.0 L V-6	3.7 L 5Cylinder	3.7 L 5 Cylinder	3.7 L 5 Cylinder

Purchasing Recommendation: Purchase the low bid of \$26,110 for 2, 2009 Ford Rangers with trade-in of a 2003, Ford Ranger, 4WD, Pickup Truck, serial #1FTZR11E93PA37220 and 2005, Chevrolet Colorado, 4WD, Pickup Truck, serial #1GCDT196858187759.

Rural Water Recommendation: Purchase the best bid of \$29,406 for 2, 2009 Chevrolet Colorados with trade-in of a 2003, Ford Ranger, 4WD, Pickup Truck, serial #1FTZR11E93PA37220 and 2005, Chevrolet Colorado, 4WD, Pickup Truck, serial #1GCDT196858187759.

MEMORANDUM

TO: Programs, Planning & Operations Subcommittee
 SUBJECT: Pickup Vehicle Purchase
 DATE: Oct. 1, 2008
 FROM: Dick Sklenar

For consideration by the Subcommittee, is the purchase of the Chevy Colorado pickup trucks (submitted by Woodhouse) versus the lowest bid for the Ford Ranger pickup trucks (submitted also by Woodhouse Ford). There are a few reasons that this consideration should be taken into account. They are;

1. Although the Ford Ranger bid is \$1,648 (per vehicle) lower than the Chevy Colorado bid, the fuel mileage cost savings would be offsetting at about 35,000 miles. Thereafter, it is estimated that during the remaining life of the pickup truck (up to the 100,000 mile trade-in time) there would be a **net savings** of about **\$3,332.00**. The calculations and assumptions are listed below.

Bids:

2 Chevy Colorado Pickup Trucks w/trade	\$29,406.00
2 Ford Ranger Pickup Trucks w/trade	\$26,110.00
Difference	\$3,296.00*

*\$1,648.00 per vehicle

Estimated fuel costs 15, 000 miles/year @\$3.55/gallon (from <http://www.fueleconomy.gov/feg/sbs.htm>):

Ford (15 MPG combined hwy & city miles x \$3.55	\$3,550.00
Chevy (19 MPG combined hwy & city miles x \$3.55	\$2,803.00
Annual Difference	\$747.00

\$747.00 annually/15,000miles = .0498 (almost 5 cents) per mile
 .0498 per mile X 100,000 miles = **\$4,980.00**

Recouping the initial extra expenditure of \$1,648.00 per truck (see below)

\$1,648.00/.0498 = 33,092 miles (less that 35,000 miles)

Net savings for 100,000 miles use of truck (\$4980.00 - \$1648.00) = \$3,332

2. Secondly, information from Edmunds.com indicates that a over a five-year span depreciation, maintenance and repairs are slightly higher on the Ford Ranger versus the Chevy Colorado.
3. Finally, there is a slightly larger interior cab dimension of the Chevy Colorado.

In summation, should the Board of Directors continue to follow the 'green' movement, the Chevy Colorado would be best suited.