



Memo

To: City Administration and City Council

From: Carl R. Ray, Water and Wastewater Director

cc:

Date: 07/24/2023

Re: Award Memo for One Ton Pickup with Flatbed for the Water Department (4-46)

Bid specifications were prepared by the Road and Bridge Fleet Purchasing for a one-ton pickup with single cab, single rear wheels, 4X4 with factory 8-foot flatbed for the Water Department. The bid was advertised and bid documents made available.

At the bid opening two bids were received: one from Victory Motors for complete vehicle with flatbed and specified storage and one from OJ Watson with only the bed and specified storage. The bid total from Victory Motors was \$60,765 for the complete unit as specified and the bid from OJ Watson was \$20,796. The line item for the flatbed and boxes from OJ Watson was higher than the line item in the bid from Victory Motors.

The budget amount for the capital expenditure is \$40,000 for the complete unit with trade-in of the old vehicle. The estimated trade-in was \$10,000 and the trade-in value in the Victory Motors bid was \$14,000. The automotive market has seen significant price increases in the last couple of years. I feel that can even be seen by the trade-in allowance being higher than estimated. In the future, we will probably need to budget more for vehicle replacement.

We removed some scheduled replacements to trim down our capital expenditures for the 2022 budget. In an effort to keep on our replacement schedule and not need to purchase too many vehicles in on fiscal year I recommend we award the bid to Victory Motors in the amount of \$60,765.