



# Procurement Department MEMO

To:	Steve Szablewski, County Administrator
	Todd Glover, Management Services Division Director
	Kevin Lear, Construction and Maintenance Division Director
	Clayton Galloway, Fleet Manager
From:	Gregory Woodlief, Procurement Manager
Subject:	Vehicle Purchases
Date:	March 18, 2005

A number of issues have arisen recently concerning vehicle purchases. Is the County buying the right type vehicle best suited for the task?

* Car vs truck vs SUV	* 4 cylinder vs V6 vs V8	* Small vs midsize vs large
* Regular vs extended cab	* Basic vs upgraded model	* Low vs high MPG

These factors should play a role in determining what vehicle to specify. Note the following:

Full-size Truck (F-150):		<u>Small-size T</u>	<u>Small-size Truck (Ranger):</u>		
COST	MPG	COST	MPG		
\$14,286	17	\$11,367	20		
An <u>F-150</u> costs \$2,919 (25%) more & is 3 MPG (18%) less fuel efficient than a <u>Ranger</u>					

Large Car (Crown Vic - Police):		: Mid-size (Im	pala - Police):
COST	MPG	COST	MPG
\$19,835	18	\$17,824	23
A Crown	Vic costs \$2,011 (11%	) more & is 5 MPG (28%	%) less fuel efficient than an Impala

Large SUV (Tahoe):		Small SUV (Blazer):		
COST	MPG	COST	MPG	
\$26,199	18	\$19,460	19	
A (757) N				

A Tahoe costs \$6,739 (34%) more & is 1 MPG (7%) less fuel efficient than a Blazer

### Other comparables:

A <u>Tahoe</u> costs \$6,364 (32%) more & has the same MPG as the <u>Crown Vic</u>.

A <u>Tahoe</u> costs \$8,375 (47%) more & is 5 MPG (28%) less fuel efficient than an <u>Impala</u>.

A <u>Blazer</u> costs \$375 (2%) less & is 1 MPG (5%) less fuel efficient than a <u>Crown Vic</u>.

A <u>Blazer</u> costs \$1,636 (9%) more & is 4 MPG (21%) less fuel efficient than an <u>Impala</u>.

\*\* Fuel mileage is a combined figure between city and highway

Please let me know if you have any questions.

Direct Cost of Operating Central ShopControl ShopIndirect Cost of Operating Central Shop26,86623,38527,179Indirect Cost of Operating Central Shop20,00020,00020,00020,000Depreciation Cost of Furniture & Equipment (200,000 / 30)20,66720,66720,66720,667I Total Cost to Operate Central Shop459,921387,775433,898Seven mechanics, out of a total of eleven employees, actually work on the vehicles.2,0802,0802,080Number of hours worked per year per mechanic Number of mechanics777J Total billable man hours14,56014,56014,560Central Shop's cost per hour of labor per mechanic (I/J)322730Central Shop's yearly cost of oil changes / Inspections: (See each method's attached worksheet for computations)91,39280,46687,451Low bid submitted by private sector (All Tune & Lube) Cost to administrate contract = 5% Total cost of privatizing this operation:95,36095,36095,360100,128100,128100,128100,128100,128		COSTREOPEREORMICHECHANGESIAND/SAFETA18	MAINHENAN	RESERVICES	
A       Central Shop Expenditures       -90.000       -26.733         B       Central Shop Revenue       392.368       323.724       366.052         D       Total Expenditures (All Funds)       67.440.298       60.598.956       53.659.776         E       Central Shop's Percentage of Total (C / D)       0.00582       0.00534       0.00682         F       Total Expenditures for Departments that Service Central Shop (The percentage allocated is based on the number of employees))       401.485       308.052       344.851         G       Total Expenditures for Departments that Service Central Shop (The percentage allocated is based on total budget))       6.234       7.840         Commissioners       1.421.834       1.382.140       820.488         Finance       289.813       332.002       276.288         Purchasing       54.400       46.588       142.287         Management Information Services       747.950       664.406       946.583         Coupty Administrator       147.146       142.33       142.33       142.737         Maintenance       32.11.870       3.210.457       2.834.972       2.847.972         Direct Cost of Operating Central Shop       392.386       23.325       27.179         Direct Cost of Operating Central Shop       3.22.0.667 <th></th> <th></th> <th>METHODIL</th> <th>MEJHOD 24</th> <th>METHOD</th>			METHODIL	MEJHOD 24	METHOD
B         Central Shop Revenue         320,003         321,024         326,032           C         Direct Cost to Operate Department         322,348         322,724         366,052           D         Total Expenditures (AI Funds)         67,440,298         60,598,956         53,659,578           E         Central Shop's Percentage of Total (C / D)         0.00552         0.00552         0.00652           F         Total Expenditures for Departments that Service Central Shop (The percentage allocated is based on the number of employees)         401,485         306,052         384,851           G         Total Expenditures for Departments that Service Central Shop (The percentage allocated is based on total budget))         1,421,834         1,352,140         820,498           Cormissioners Finance         1,421,834         1,352,140         820,498         422,297           Purchasing Management Information Services         147,146         142,339         140,733           County Administrator Receiving / Distribution         32,210,477         2,854,972         2,854,972           Direct Cost of Operating Central Shop indirect Cost of Operating Central Shop         22,981         32,171         142,753           Maintenance         32,211,870         3,210,477         2,854,972         2,854,972           Direct Cost of Operating Central Shop in	•	Coster Shap Exponditures	442,388	373,724	
C     Direct Cost to Operate Department     332,383     322,724     336,032       D     Total Expenditures (Ali Funds)     67,440,298     60,599,956     53,659,578       E     Central Shop's Percentage of Total (C / D)     0.00582     0.00582     0.00584     0.00682       F     Total Expenditures for Departments that Service Central Shop (The percentage allocated is based on the number of employees)     401,485     306,052     384,851       G     Total Expenditures for Departments that Service Central Shop (The percentage allocated is based on total budget)     8,178     6,234     7,840       Commissioners Funance     1,421,834     1,352,140     820,489     122,274       Management Information Services     747,950     864,406     946,583       County Administrator     147,146     142,339     140,753       Receiving / Distribution     128,812     133,717     142,754       Maintenance     332,11,870     3,211,870     3,214,871       Direct Cost of Operating Central Shop Indirect Cost of Operating Central Shop     322,386     223,385     27,179       Direct Cost of Operating Central Shop     392,388     323,724     366,032       Direct Cost of Operating Central Shop     26,866     23,385     27,179       Direct Cost of Operating Central Shop     322,385     27,179       D			in the second se		
D       Total Expenditures (ni Funds)         E       Central Shop's Percentage of Total (C / D)         F       Total Expenditures for Departments that Service Central Shop (The percentage allocated is based on the number of employees)         Human Resources' budget Central Shop's allocation (11/540*HR Budget):       401.485         G       Total Expenditures for Departments that Service Central Shop (The percentage allocated is based on total budget)         Commissioners Finance       1.421.834         Finance       269.813         Purchasing       747.950         Bate Addition       428.913         Ananagement Information Services       1.471.844         Commissioners Finance       747.950         Purchasing       747.950         Management Information Services       1.471.874         Additional Starter       1.421.834         Additional Starter       1.421.834         Direct Cost of Operating Central Shop       3210.475         Direct Cost of Operating Central Shop       392.388         Direct Cost of Operating Central Shop       392.386         Direct Cost of Operating Central Shop       20.667         Direct Cost of Operating Central Shop       20.866         Direct Cost of Operating Central Shop       20.867         Direct Cost of Operating Central Sh			392,388	323,724	366,052
E       Central Shop's Percentage of rotal (C/10)       Control         F       Total Expenditures for Departments that Service Central Shop (The percentage allocated is based on the number of employees)       401.485       306.052       384.851         G       Total Expenditures for Departments that Service Central Shop (The percentage allocated is based on total budget)       401.485       306.052       384.851         G       Total Expenditures for Departments that Service Central Shop (The percentage allocated is based on total budget)       1.421.834       1.352.140       820.488         Commissioners       747.950       864.406       946.593         Management Information Services       147.146       142.357       142.755         Receiving / Distribution       122.812       339.64       355.193         Maintenance       3211.870       321.18.77       22.684.72         Direct Cost of Operating Central Shop (E * G + F)       26.866       23.385       27,179         Direct Cost of Operating Central Shop       392.388       323.724       366.052         Direct Cost of Operating Central Shop       20.667       20.667       20.667         Direct Cost of Operating Central Shop       392.388       323.724       366.052         Direct Cost of Operating Central Shop       392.398       323.724       366.052	D	Total Expenditures (All Funds)	67,440,298	60,598,956	53,659,578
(The percentage allocated is based on the number of employees)     401.485     306.052     384.451       Central Shop's allocation (11/540*HR Budget):     8,178     6,234     7,840       G     Total Expenditures for Departments that Service Central Shop (The percentage allocated is based on total budget)     1,421,834     1,352,140     820,498       Commissioners     29,913     332,002     276,288       Purchasing     747,950     864,406     946,593       Management Information Services     147,146     142,339     140,733       County Administrator     128,812     133,717     142,753       Receiving / Distribution     32,211,870     321,1870     325,439       Maintenance     32,211,870     321,0457     2,884,972       Direct Cost of Operating Central Shop (E*G+F)     26,866     23,385     27,179       Direct Cost of Operating Central Shop (20,000 / 10)     20,000     20,000     20,000       Depreciation Cost of Fumilture & Equipment (200,000 / 10)     20,000     20,000     20,000       Depreciation Cost of the Building (620,000 / 30)     20,667     20,667     20,667       1     Total Cost to Operate Central Shop     459,921     387,775     433,898       Seven mechanics, out of a total of eleven employees, actually work on the vehicles.     2,080     2,080     2,080	ε	Central Shop's Percentage of Total (C / D)	0.00582	0.00534	0.00682
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Commissioners         226 288           Finance         289 813         332,002         276 288           Purchasing         54,400         45,889         122,287           Management Information Services         747,950         864,406         946,593           County Administrator         147,146         142,339         140,753           Receiving / Distribution         421,015         339,264         385,819           Maintenance         3,211,870         3,210,457         2,834,972           H         Indirect Cost of Operating Central Shop         26,866         23,385         27,179           Direct Cost of Operating Central Shop         392,388         323,724         366,052           Direct Cost of Operating Central Shop         26,866         23,385         27,179           Direct Cost of Operating Central Shop         392,388         23,724         366,052           Direct Cost of Operating Central Shop         20,000         20,000         20,000         20,000           Depreciation Cost of Furniture & Equipment (200,000 / 10)         20,000         20,000         20,000           Depreciation Cost of Furniture & Equipment (200,000 / 10)         20,0667         20,667         20,667           Total Cost to Operate Central Shop         42,0	G	Total Expenditures for Departments that Service Central Shop (The percentage allocated is based on total budget)			
Finance         289,813         332,002         276,288           Purchasing         54,400         45,889         122,227           Management Information Services         747,950         864,406         946,539           County Administrator         142,339         140,753           Receiving / Distribution         142,317         142,339         140,753           Maintenance         332,11,870         3,210,457         2,834,972           H         Indirect Cost of Operating Central Shop         26,866         23,385         27,179           Direct Cost of Operating Central Shop         26,866         23,385         27,179           Direct Cost of Operating Central Shop         26,866         23,385         27,179           Direct Cost of Operating Central Shop         26,866         23,385         27,179           Depreciation Cost of Furniture & Equipment (200,000 / 10)         20,000         20,000         20,000           Depreciation Cost of Furniture & Equipment (200,000 / 10)         20,667         20,667         20,667           Seven mechanics, out of a total of eleven employees, actually         459,921         387,775         433,898           Number of nechanics         7         7         7         7         7           J		Commissioners			
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H       Indirect Cost of Operating Central Shop (E G V P)       20.000       392,388       323,724       366,052         Direct Cost of Operating Central Shop (additional Shop Depreciation Cost of Fumilture & Equipment (200,000 / 10) (20,000)       20,000			3,211,870	3,210,457	2,834,972
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Depreciation Cost of the Building (620,000 / 30)       20,007       20,007       20,007       433,098         I       Total Cost to Operate Central Shop       459,921       387,775       433,098         Seven mechanics, out of a total of eleven employees, actually work on the vehicles.       2,080       2,080       2,080         Number of hours worked per year per mechanic       7       7       7         J       Total billable man hours       14,560       14,560       14,560         Central Shop's cost per hour of labor per mechanic (I/J)       32       27       30         Central Shop's cost per hour of labor per mechanic (I/J)       32       27       30         Central Shop's yearly cost of oil changes / inspections:       91,392       80,466       87,451         Low bid submitted by private sector (All Tune & Lube)       95,360       95,360       95,360         Cost to administrate contract = 5%       100,128       100,128       100,128         Total cost of privatizing this operation:       9,000       12,650       12,650		Depreciation Cost of Furniture & Equipment (200,000 / 10)			
I       Total Cost to Operate Central Shop         Seven mechanics, out of a total of eleven employees, actually work on the vehicles.       2 080       2,080       2,080         Number of hours worked per year per mechanic       7       7       7         J       Total billable man hours       14,560       14,560       14,560         J       Total billable man hours       32       27       30         Central Shop's cost per hour of labor per mechanic (I/J)       32       27       30         Central Shop's cost per hour of labor per mechanic (I/J)       32       27       30         Central Shop's yearly cost of oil changes / Inspections:       91,392       80,466       87,451         (See each method's attached worksheet for computations)       95,360       95,360       95,360         Low bid submitted by private sector (All Tune & Lube)       95,360       95,360       95,360         Cost to administrate contract = 5%       100,128       100,128       100,128         Total cost of privatizing this operation:       9,000       12,650       12,650		Depreciation Cost of the Building (620,000 / 30)			
work on the vehicles.2 0802,0802,0802,080Number of hours worked per year per mechanic777Number of mechanics714,56014,56014,560JTotal billable man hours322730Central Shop's cost per hour of labor per mechanic (I/J)322730Central Shop's yearly cost of oil changes / inspections: (See each method's attached worksheet for computations)91,39280,46687,451Low bid submitted by private sector (All Tune & Lube) Cost to administrate contract = 5% Total cost of privatizing this operation:95,36095,36095,360Low bid submitted by private sector (All Tune & Lube) Cost to administrate contract = 5% Total cost of privatizing this operation:95,36095,36095,360Low bid submitted by contract = 5% Total cost of privatizing this operation:100,128100,128100,128	1		409,921	567,115	
Number of hours worked per year per mechanic       7       7         Number of mechanics       7       7         J       Total billable man hours       14,560       14,560         Central Shop's cost per hour of labor per mechanic (I/J)       32       27       30         Central Shop's cost per hour of labor per mechanic (I/J)       32       27       30         Central Shop's cost per hour of labor per mechanic (I/J)       32       27       30         Central Shop's yearly cost of oil changes / inspections: (See each method's attached worksheet for computations)       91,392       80,466       87,451         Low bid submitted by private sector (All Tune & Lube)       95,360       95,360       95,360         Cost to administrate contract = 5%       100,128       100,128       100,128         Total cost of privatizing this operation:       9,000       12,650       12,650		Seven mechanics, out of a total of eleven employees, actually work on the vehicles.			
J       Total billable man hours       14,560       14,560       14,560       14,560         Central Shop's cost per hour of labor per mechanic (I/J)       32       27       30         Central Shop's yearly cost of oil changes / Inspections: (See each method's attached worksheet for computations)       91,392       80,466       87,451         Low bid submitted by private sector (All Tune & Lube)       95,360       95,360       95,360       95,360         Cost to administrate contract = 5%       100,128       100,128       100,128       100,128			2,080	2,080 7	2,080 7
Central Shop's cost per hour of labor per mechanic (UJ)       02       02         Central Shop's yearly cost of oil changes / Inspections: (See each method's attached worksheet for computations)       91,392       80,466       87,451         Low bid submitted by private sector (All Tune & Lube)       95,360       95,360       95,360       95,360         Cost to administrate contract = 5%       4,768       4,768       4,768       4,768         Total cost of privatizing this operation:       100,128       100,128       100,128	L		14,560	14,560	14,560
Central Shop's yearly cost of oil changes / inspections.       01,000         (See each method's attached worksheet for computations)       95,360       95,360         Low bid submitted by private sector (All Tune & Lube)       95,360       95,360         Cost to administrate contract = 5%       4,768       4,768         Total cost of privatizing this operation:       100,128       100,128		Central Shop's cost per hour of labor per mechanic (I/J)	32	27	30
Low bid submitted by private sector (Air Tune & Lube)     4,768     4,768     4,768       Cost to administrate contract = 5%     100,128     100,128     100,128       Total cost of privatizing this operation:     100,128     100,128     100,128		Central Shop's yearly cost of oil changes / Inspections: (See each method's attached worksheet for computations)	91,392	80,466	87,451
Low bid submitted by private sector (at table a black) $4.768$ $4.768$ $4.768$ Cost to administrate contract = 5%100,128100,128100,128Total cost of privatizing this operation:100,128100,128100,128		Low bid submitted by private sector (All Tune & Lube)	95,360	95,360	
Total cost of privatizing this operation:		Cost to administrate contract = 5%	4,768	<u>4,768</u>	1
Net savings or (cost) of outsourcing: -8,736 -19,662 -12,677		Total cost of privatizing this operation:	100,128	100,128	
		Net savings or (cost) of outsourcing:	-8,736	-19,662	-12,677

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## **Works Payment Manager**

New and innovative purchasing card payment opportunities can have a dramatic impact on your bottom line. With the Works Payment Manager solution, your organization can safely and securely expand your Bank of America Corporate Purchasing Card program beyond traditional limits, elevating purchasing cards to your payment method of choice. The simple, Web-based solution automates, streamlines and integrates your existing payment authorization and reconciliation process, resulting in enhanced efficiencies and reduced costs.

#### **Benefits**

- Increases process and spending controls.
- Automates expense allocation and information management activities.
- Provides a simple, effective and timely method to help you enforce your reconciliation policy by integrating with current systems and processes.

#### Features

- Ability to manage cards in real-time with Active Card Control™
- Active Card Integration™ automatically pays outstanding invoices by integrating card payment advice and directions into your existing accounting systems.
- Real-time or batch integration with your ERP.
- Multiple restoration of funds options
- On-demand CSV file download of reconciled transactions.
- Spend monitors to track and report spending.
- Real-time reporting, online self-service and payment initiation with 24x7 global access \*
- Declining balance charge cards and zero dollar cards for optimized control.
- Unlimited field validation for cost allocation.
- Customized online purchase request routing.

#### How the service works

The Works Payment Manager solution is available for Corporate Purchasing Card programs and requires no complex installation or costly hardware or IT investments:

- Upon contract completion, Bank of America collects your card account, system user and cost allocation information.
- Once implemented, card transaction data is updated daily.

#### For more information

For more information about our Works Payment Manager solution, including terms and conditions that apply, contact your Global Treasury representative.

Please visit us at www bankofamerica.com.

\*System is not available for a two-hour weekly maintenance period every Thursday evening

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