

Detroit Water and Sewerage Department

Procurement Division

735 Randolph Street, Detroit, MI 48226 313-267-8000 • <u>detroitmi.gov/DWSD</u>

TO:

Board of Water Commissioners

FROM:

Procurement Division

DATE:

October 16, 2019

RE:

Results of Research on Single Bid responses for Dump Truck solicitations

Per the Board of Water Commissioners (BOWC) Finance Sub-Committee's request at the October 2, 2019 meeting, DWSD Procurement Division performed additional research on why Jorgensen Ford was the single respondent on numerous DWSD solicitations for various types of dump trucks.

Procurement began by pulling the minimum requirements from each of the dump truck RFB's (469489, 469782 and 469784) to determine if they were too restrictive. The minimum qualifications from all of the RFB's were a combination of the following:

- Must be a Class A dealer a licensed new vehicle dealer buys & sells new vehicles under a franchise agreement or contract with the manufacturer of the new vehicle
- Must be located within 30 to 40 miles of DWSD
- Provide a warranty period of either five or seven years or up to 125,000 miles

Procurement then compared the minimum qualifications listed in DWSD's solicitations to those of Oakland County, GLWA, and Wayne County. DWSD is the only one requiring a Class A license and there was a variance in the warranty coverage period between each entity (predominantly 3 or five years).

Procurement contacted various Ford dealers that appeared to meet the minimum qualification but did not submit bids and learned this was due to territory limitations.

Procurement then researched the specifications of each dump truck and noted that they did not state a specific brand of vehicle. Since a brand was not specified, Procurement contacted multiple Chevrolet dealers and a Chrysler dealer. Chrysler does not manufacture vehicles that meet the $1\frac{1}{2}$ Ton requirement and the Chevrolet dealers indicated DWSD's specifications can only be met by Ford brand vehicles; therefore, they could not provide a bid.

Upon learning this information, DWSD Fleet confirmed this information to be true. A business decision was made to standardize DWSD owned dump trucks to Ford products, as it is practical, efficient and cost effective. Utilizing a single brand decreases the amount and types of automotive parts kept in stock, which also uses less space in the warehouse. In addition, Fleet has in-house mechanics trained specifically to repair heavy-duty Ford vehicles. Although the majority of the fleet is Ford brand, DWSD owns approximately 12 GMC brand and 8 Chrysler brand vehicles.

Attached is a summary of Procurement's research and findings.

Single Bid Response Inquiry of Dump Trucks					
1 TON DUMP 8' EXTENDED CAB 4WD (REQ #469784) 1.5 TON DUMP W/HYDRAULIC CRANE 4WD (REQ #469782) 3-YARD 1.5 TON DUMP EXTENDED CAB 4WD (REQ #469489)	Date of Inquiry	Can they meet DWSD Specifications?	Located Within Geographical Location?	New/Latest Dump Truck Model?	Class "A" Licensed Dealer?
Chevy					
Buff Whelan Chevrolet Lee Nash 586.939.7300	10.7.2019	No. Sells dump trucks but not Ford brand.	Yes	Yes	Yes
Genesis Chevrolet Frank Bostovitch 586.775.8300	10.7.2019	No. Sells dump trucks but not Ford brand.	Yes	Yes	Yes
James Bowman Chevrolet Jeff Percherski 248.625.5071 jpecherski@bowmanchevy.com	10.9.2019	No. Sells dump trucks but not Ford brand.	Yes	Yes	Yes
Jefferson Chevrolet 877.685.2307	10.7.2019	No. Sells dump trucks but not Ford brand.	Yes	Yes	Yes
Dodge					
Van Dyke Dodge 576.573.4000	10.7.2019	No, does not provide this type of vehicle	Yes	N/A	Yes
Ford					
Bill Brown Ford 734.421.7000 Jim Stevens	10.7.2019	Yes, but cannot provide due to territorial location	Yes	Yes	Yes
Hines Park Ford 248.437.6700 Tim Sullivan tsullivan@hinespark.com	10.9.2019	Yes, but cannot provide due to territorial location	Yes	Yes	Yes
Russ Milne Ford 586.948.7700 John Mann johnmann@russmilne.com	10.7.2019	Yes, but cannot provide due to territorial location	Yes	Yes	Yes
Suburban Ford 248.399.1000 Jake Swanson jswanson@subrubancollection.com	10.7.2019	Yes, but cannot provide due to territorial location	Yes	Yes	Yes
Taylor Ford 313.291.0300 Andrew Lowded andyl@shoptaylorford.com	10.9.2019	Yes, but cannot provide due to territorial location	Yes	Yes	Yes
Village Ford 313.565.5993 Jay Freud Jay.freud@villageford.net	10.7.2019	Yes, but cannot provide due to territorial location	Yes	Yes	Yes
Miscellaneous					
Freightliner	10.7.19	No, cannot provide requested vehicle	N/A	N/A	No
International Truck	10.7.19	No, cannot provide requested vehicle	No	N/A	N/A
Wolverine Truck Sales 313.849.0800 Ken Malkowski malkowski@wolverinetruckgroup.com	10.9.19	Yes, but cannot provide due to territorial location	Yes	Yes	Yes