

18-129

CC-50(b)

CITY COUNCIL MEETING

November 18, 1981

Mr. Schroeder presented a letter which had been received from Richard Sanborn, Sanborn Chevrolet, 1210 S. Cherokee Lane, regarding Council's decision to accept a bid for Dial-A-Ride vehicles from a dealer outside of the City of Lodi.



## SANBORN CHEVROLET, INC.

1210 South Cherokee Lane / LODI, CALIFORNIA 95240 / (209) 334-5000  
November 13 1981

Mayor James A. McCarty  
City of Lodi  
P.O. Box 320  
Lodi, California, 95240

Dear Mayor McCarty:

It is with much regret that I find myself compelled to write you this letter regarding the recent purchase of vehicles for the City's use in Dial-A-Ride.

This letter is not meant to criticize the City Council in their duties to be prudent with taxpayers money in accepting low bids for any purpose: but, the wonderment of the judgement of going beyond the city limits to support business that offers nothing to our community in the way of taxes, support to community projects with time and money or the employment of the citizens in our community.

Sanborn Chevrolet is proud to be a part of Lodi and to help in every way we can to increase Lodi's vitality; but, to do so, Sanborn Chevrolet, as other businesses, car dealers, ect. must be vital to the city and the community. The city must be prepared to accept the results of pursuing a practice of not giving any local business full consideration when determining its needs.

The auto dealers of Lodi employees are in excess of 165 people who help to support the other businesses in our city, and help support community projects. Sanborn Chevrolet in 1981 will pay over \$700,000 in payroll plus return to the city about \$60,000 in sales taxes, not counting property taxes or other benefits we pay that benefit the community.

How long is our city going to be viable when business advertise "Shop in Lodi" "Buy in Lodi" and our own city government goes out of town to do business?

On this particular bid, Sanborn Chevrolet would have lost money to win the bid. This is why many dealers fail in business and become a detriment to their community. Many of you have bought vehicles before and had to have some work done on them while the warranty was in force. A selling dealer knows that when he sells a vehicle out of his area, he is not going to be saddled with the cost of administrating the warranty for the factory.

NOV 16 1981

I think that there is a lack of total cost factors being considered when bids are called upon. It would be prudent, as we do in business, to establish these total cost factors prior to calling for bids and making the final purchase.

We were asked by the city staff and have been asked in the past for technical assistance on vehicles being specs for bids which we have been very pleased to do, regardless of our cost in securing information; but, until the city can assure us that this is a policy of the past and wishes to do business in town with the local dealers, Sanborn Chevrolet will not expend costly time or money necessary to prepare bids.

Very truly yours,

SANBORN CHEVROLET, INC.

  
Richard E. Sanborn,  
President

RES:ss

cc: Mr. Henry A. Glaves, Jr.,  
City Manager

Mr. Jerry Glenn,  
Assistant City Manager

CITY COUNCIL

JAMES A. McCARTY, Mayor  
ROBERT G. MURPHY, Mayor Pro Tem  
RICHARD L. HUGHES  
WALTER KATNICH  
JAMES W. PINKERTON, Jr.

CITY OF LODI

CITY HALL, 221 WEST PINE STREET  
POST OFFICE BOX 320  
LODI, CALIFORNIA 95241  
(209) 334-5634

HENRY A. GLAVES, Jr.  
City Manager

ALICE M. REIMCHE  
City Clerk

RONALD M. STEIN  
City Attorney

November 19, 1981

Mr. Garrett Baldwin  
Baldwin Olds Buick, Inc.  
1 East Lodi Avenue  
Lodi, CA 95240

Mr. Darryl Geweke  
Geweke Ford  
1045 S. Cherokee Lane  
Lodi, CA 95240

Mr. Dennis Plummer  
Plummer Pontiac Cadillac  
GMC, Inc.  
1011 S. Cherokee Lane  
Lodi, CA 95240

Mr. Richard Sanborn  
Sanborn Chevrolet  
1210 S. Cherokee Lane  
Lodi, CA 95240

Mr. Jack Weil  
Weil Motors, Inc.  
2 West Lockeford Street  
Lodi, CA 95240

Gentlemen:

As you know, the City of Lodi recently awarded a purchase of six vehicles to an out-of-city vendor. This decision on the part of the City has evidently caused some concern as to giving full consideration to local automobile dealers.

It is not uncommon for the City to go outside its limits for contracts. We do have an obligation to give the 35,000 citizens of Lodi the most for each dollar spent.

It certainly is our intent to purchase locally whenever feasible. In our evaluation, we looked at the dollar cost of the bid and the amount of loss of sales tax dollars. We did realize the potential difficulties in warranty problems, and perhaps did not give it the consideration it is due.

One dealer has suggested that there may be a lack on the part of the City in considering the total cost factors in awarding purchases. I cannot quarrel with that statement - we may not be giving due consideration to factors other than direct cost.

With this in mind, I would like to meet with you collectively to ascertain what are all of the factors which should be considered in awarding purchases for automobiles and trucks.

To Local Automobile Dealers  
Page Two - November 19, 1981

I would like to meet on Tuesday, December 1, 1981 at 11:00 a.m. in the City Manager's conference room. If you cannot attend, please contact my secretary Vera Crete - 334-5634, Extension 215.

Very truly yours,

JERRY L. GLENN  
ASSISTANT CITY MANAGER

JLG:vc