

## MEMORANDUM

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**DATE:** July 9, 2014

**TO:** Honorable Mayor and City Commission

**VIA:** Kenneth Fields, City Manager

**FROM:** James Slaton, Public/Support Services Director

**SUBJECT:** Agreement with the BoCC Fleet Management Division for City vehicle and equipment maintenance services

**SYNOPSIS:** Staff is requesting Commission approval to extend our existing maintenance agreement with the BoCC for an additional twelve month period.

### RECOMMENDATION

It is recommended that the City Commission take the following actions:

1. Approve the agreement to extend the existing contract for an additional twelve month period.
2. Authorize the City Manager to execute the agreement on behalf of the City.

### BACKGROUND

In August of 2009, the City entered into an agreement with the Polk County Board of County Commissioners for fleet maintenance services. Per the agreement, BoCC's Fleet Management Division provides maintenance services on all City-owned vehicles and equipment at the City's fleet facility located on Crystal Avenue. The initial term of the agreement was for a twelve month period with the option to renew annually upon mutual agreement between the City and the BoCC. The agreement has been renewed each consecutive fiscal year since the initial agreement in 2009.

Under the terms of the agreement, Polk County Fleet Management provides:

- Preventative and breakdown maintenance on all City-owned vehicles and equipment
- Management of accident and abuse related repairs in conjunction with City management
- Tire maintenance, replacement and repair
- Parts and Lubricants
- 24 hours/day service and breakdown support
- Maintenance reporting
- Access to and service from Polk County Fleet's entire network of maintenance facilities
- City Fire Apparatus maintenance by EVT certified technicians

The Polk County Fleet Management Division provides the City with a fixed-rate fee schedule for maintenance services prior to the beginning of each fiscal year. These fees are based on historical equipment repair costs incurred by Polk County Fleet Management throughout the previous year.

Prior to the agreement with Polk County Fleet Management, the City operated its own Fleet Maintenance Department. An eleven year summary of the City's total fleet maintenance costs are outlined below:

<b>Fiscal Year Actual (Pre-County Contract)</b>	<b>Salaries</b>	<b>M&amp;R Vehicles</b>	<b>Operating Supplies Vehicles</b>	<b>M&amp;R Vehicles Refurbishment</b>	<b>Fleet Operating Budget</b>	<b>Total</b>
2004/2005	137,477	72,127	4,537	0	20,179	234,320
2005/2006	110,969	155,834	30,848	4	21,703	319,358
2006/2007	100,978	168,051	38,952	5,932	27,379	341,292
2007/2008	131,822	185,353	49,251	5,665	143,894	515,985
2008/2009	152,472	186,492	46,052	7,440	35,735	428,191
<b>5 Year Average</b>	<b>126,744</b>	<b>153,571</b>	<b>33,928</b>	<b>3,808</b>	<b>49,778</b>	<b>367,829</b>
<b>Fiscal Year Actual (Post- County Contract)</b>		<b>M&amp;R Fleet Contract</b>	<b>Operating Supplies Vehicles/M&amp;R Fleet Non-Contract</b>	<b>M&amp;R Vehicles Refurbishment</b>	<b>Fleet Operating Budget</b>	<b>Total</b>
2009/2010	N/A	308,076	10,860	7,792	41,270	367,998
2010/2011	N/A	210,577	30,974	2,669	19,893	264,113
2011/2012	N/A	250,391	16,255	200	13,393	280,329
2012/2013	N/A	272,083	33,605	0	15,198	320,886
2013/2014 (YTD)	N/A	218,011 (YTD)	18,140 (YTD)	0	11,540	247,691
2013/2014 Projected	N/A	290,682	22,000		15,387	328,069
2014/2015 (Budget)	N/A	283,252	19,900	0	15,941	319,093
<b>6 Year Average</b>	<b>N/A</b>	<b>269,177</b>	<b>22,266</b>	<b>1,777</b>	<b>20,181</b>	<b>313,415</b>

Staff solicited a proposal from Vector Fleet Management, a private-sector company that provides a similar service to Polk County Fleet Management, for cost comparison purposes. Their proposal was 554,380 annually.

#### **OTHER OPTIONS**

The City Commission may choose not to enter into this agreement and 1) direct staff to develop a request for proposal for fleet maintenance services or 2) direct staff to assume the responsibility of our own fleet maintenance services.

#### **FISCAL IMPACT**

The annual maintenance fee for FY2014/15 is 283.252

#### **ATTACHMENTS**

Agreement to Extend Contract  
Original Maintenance Agreement

2490 Bob Phillips Road  
PO Box 9005 • Drawer AS03  
Bartow, Florida 33831-9005



PHONE: 863-534-5660  
FAX: 863-534-0390  
[www.polk-county.net](http://www.polk-county.net)

**FLEET MANAGEMENT DIVISION**

**AGREEMENT TO EXTEND CONTRACT**

**DATE:** June 19, 2014

**RE:** EXTENSION OF MEMORANDUM OF UNDERSTANDING BETWEEN POLK COUNTY BOARD OF COUNTY COMMISSIONERS AND THE CITY OF LAKE WALES FOR FLEET MAINTENANCE SERVICES

**VENDOR:** Polk County Board of County Commissioners

As confirmation that the CITY OF LAKE WALES is interested in extending the contract listed above with the Polk County Board of County Commissioners, please complete this form and return it to our office no later than July 31, 2014.

The undersigned agrees to extend the above referenced MOU, for the period October 1, 2014 through September 30, 2015 with the terms and conditions stipulated in the 2009 agreement and updated EXHIBIT A information.

If you are not interested in extending the bid for the above-mentioned period, please note "not interested" on this letter and fax back to (863) 534-0390, Attention Chuck Cheatham. If you have any questions please feel free to contact me at (863)534-5660.

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POLK COUNTY Board of County Commissioners

By: \_\_\_\_\_  
Chairman

Date: \_\_\_\_\_

CITY OF LAKE WALES

By: \_\_\_\_\_

Date: \_\_\_\_\_

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Chairman

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CITY OF LAKE WALES

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\_\_\_\_\_  
POLK COUNTY Board of County Commissioners

By: \_\_\_\_\_  
Chairman

Date: \_\_\_\_\_

CITY OF LAKE WALES

By: \_\_\_\_\_

Date: \_\_\_\_\_

## **VEHICLE MAINTENANCE MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding [MOU] is entered into between the **Polk County Board of County Commissioners [BoCC] and the City of Lake Wales, Florida, [CLW]** to provide an agreement for a vehicle maintenance and service outline under which the parties agree to mutually conduct their operations. This Vehicle Maintenance Memorandum of Understanding will be administered on behalf of the Support Services of the BoCC through the Polk County Government Fleet Maintenance Division [PCFM].

### **Fleet Management Agrees to Provide:**

- All labor, parts and outsourced services related to routine, breakdown and preventive maintenance. Repairs related to accidents and abuse are included but not within Fleet's basic rate structure.
- Preventive and breakdown maintenance.
- Management of accident and abuse related repairs in conjunction with CLW management personnel.
- Tire maintenance, replacement and repairs.
- Service and breakdown support, 24 hours/day, 7 days/week
- Repair and maintenance to allied tools, equipment and small engine machinery currently being handled by the vehicle technicians employed by the CLW.
- Maintenance reporting within the current Fleet Management automated system (RTA)
- Access to and service from all PCFM's network of garage facilities County-wide.
- Employment of three CLW technicians contingent upon their successful completion of the County's routine screening processes mandatory for all new employees. CLW employees will be subject to the County's standard probationary period of 6 months.
- Support to CLW Fire Services utilizing the County's EVT certified technicians.
- Maintenance support to CLW owned generators if desired
- Operation and care of the CLW's fueling system including fuel sites and Fuelmaster automated system.
- Repairs to shop equipment owned by the CLW if the failed equipment was rendered inoperative due to repair activities performed by the PCFM.

### **City of Lake Wales Agrees to:**

- Fully support and encourage the efforts of PCFM among the CLW entire staff.
- Make all vehicles/apparatus available for routine and preventive maintenance.
- In cooperation with PCFM, take the necessary steps to protect the vehicles and equipment by assuring maintenance and repairs are authorized and approved
- Hold employees accountable for unreasonable or unnecessary vehicle/equipment damage or abuse and work with PCFM to accomplish same.
- Partner with Fleet Management in considering and acting on recommendations of operating changes where such will enhance asset protection and lower total vehicle costs without compromising response time or service to citizens.

**Fleet Management / City of Lake Wales  
Vehicle Maintenance Memorandum of Understanding  
Page 2**

**City of Lake Wales agrees to (con't):**

- Provide, adequately maintain, and fund a garage facility, shop equipment, electricity, water adequate to accomplish routine vehicle maintenance activities at CLW's sole expense.
- Remit payment of PCFM invoices on a timely basis (30 days)..

**Rates:**

The County has established an annual schedule of fixed rates to be applied to all vehicles/equipment covered by this agreement and the schedule is attached hereto as a Schedule of Rates marked as Attachment 'A'. The annual rate will be divided by 12 and invoiced to the CLW on a monthly basis in arrears. The rate/vehicle will cover all repairs and routine maintenance (including tires and towing) to the equipment represented on the Schedule. The rate will not cover accident damage repairs, repairs/replacement of windshields or other broken glass, repairs due to driver abuse or vandalism.

Charges incurred beyond the fixed rates (e.g. accident damage) will be charged to the CLW at the County's prevailing hourly rate (currently \$76.00/hour and parts plus 40%). If an outside vendor is used, CLW will be charged at the PCFM's actual cost plus 15% not to exceed \$200 per instance. All repairs representing assessments beyond the fixed rate will require approval from CLW prior to execution by PCFM.

Because PCFM cannot validate either the current vehicle condition or efficacy of the past maintenance of the CLW vehicles/equipment, all fixed rate related expenses incurred above the annual fixed rate will remain the responsibility of the CLW for the initial 12 months of this agreement. After the initial 12 month term, any fixed rate related expenses incurred above the fixed fee will be the responsibility of PCFM.

**Year End Settlement:**

After the initial 12 month period, at the conclusion of the each successive 12 month period, PCFM will provide a detailed accounting of their cost experience compared to the fees assessed. If the fees assessed to the CLW exceed the actual costs incurred by PCFM the variance will be split equally between the CLW and PCFM. The settlement represents fixed fee assessments only. Charges assessed due to accident repairs, abuse, glass breakage or vandalism, are excluded.

**Fleet Management / City of Lake Wales  
Vehicle Maintenance Memorandum of Understanding  
Page 3**

**Reporting Relationships:**

- Current CLW Fleet employees will report to PCFM upon being hired by the County.
- PCFM and CLW will maintain an open dialog at least one management tier level above the foreman level utilizing the Fleet Management Director and a designated management level staff member from CLW.
- The Fleet Management Director will meet periodically with CLW senior management staff to promote open communication and assure service levels are satisfactory or better.

**Information System:**

CLW agrees to allow full access and support of the CLW information system (RTA) to PCFM. CLW will maintain both the hardware and software systems required to assure full access and daily functionality of their system. PCFM will be responsible for any damage to the hardware that may occur upon commencement of maintenance services provided by PCFM.

**Term:**

The initial term of this agreement is 12 months from the agreed upon Service Commencement Date. Upon mutual agreement to extend this agreement at least 60 days prior to the conclusion of each 12 month term thereafter, the agreement will automatically renew for an additional 12 months.

As stated below, either party may cancel at any time by providing 60 days written notice.

**Termination:**

Either party may cancel this agreement by providing 60 days written notice of their desire to cancel, to the other party. Upon termination, any outstanding charges, provided they are not in dispute, will be remitted to the County as agreed. The County will be allowed to retrieve any tools or equipment owned by the County. The remainder of the tools and equipment owned by CLW will remain in their shop facility.



**Fleet Management / City of Lake Wales  
Vehicle Maintenance Memorandum of Understanding  
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**Statement of Mutual Cooperation:**

Both parties agree this MOU represents a partnership between the CLW and PCFM and as such circumstances may arise that are not covered by this agreement. Should that occur, both parties agree to negotiate in good faith and in the spirit of mutual cooperation to resolve/settle these matters amicably and in the best interest of the taxpayer.

**Summary Statement of Commitment**

Fleet Management and CLW fully understand the critical nature and spirit of this memorandum and realize this document is not designed to cover all situations that may occur. Fleet Management recognizes the critical nature and importance of the mission of the CLW and agrees to work diligently to assure that missions are not compromised by a lack of vehicle availability. CLW recognizes the importance of vehicles and equipment to the accomplishment of their mission and agrees to fully support PCFM in every reasonable way to assure no impediments are intentionally placed in the way of Fleet's mission of service and support.

Sam Johnson  
Chairman – Board of County Commissioners

Date: 8-18-09

Juda L. Wade  
Witness

Jack Van Pelt  
Mayor – City of Lake Wales

Date: 8-5-2009

Dea Ken Blargaw  
Witness



Reviewed as to form and legal sufficiency  
Michael J. Dyer 8/18/09  
County Attorney's Office Date