



**CITY OF FORT LAUDERDALE  
City Commission Agenda Memo  
REGULAR MEETING**

**#19-0594**

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**TO:** Honorable Mayor & Members of the  
Fort Lauderdale City Commission

**FROM:** Chris Lagerbloom, ICMA-CM, City Manager

**DATE:** September 3, 2019

**TITLE:** Motion Approving Second Amendment and Increase in Funds to  
Contract for Fleet Maintenance and Management Services and Central  
Warehouse - First Vehicle Services, Inc. - \$2,000,000 - **(Commission  
Districts 1, 2, 3, and 4)**

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**Recommendation**

It is recommended that the City Commission approve a second amendment to Contract No. 555-11442 for fleet maintenance and management services and central warehouse with First Vehicle Services, Inc. ("FVS") and approve an increase in funds in the amount of \$2,000,000.

**Background**

On April 21, 2015, the City Commission approved a three-year contract for the purchase of fleet maintenance and management services and central warehouse from FVS in the estimated amount of \$16,675,000 (CAM #15-0370).

On April 4, 2017, the City Commission approved an amendment to the FVS contract to increase contract expenditures by \$188,838 per year for the remaining two years bringing the total three-year contract value to \$17,052,676 (CAM #17-0258). The increase in funds was due to the fleet size increasing from 1,463 to 1,553 units since entering into the original contract.

Although the contract allows for purchase of non-targeted costs (unscheduled repairs, damages, specialized equipment) the approved purchase amount of \$17,052,676 was only for target contract services (maintenance, planned services). Non-targeted contract services have cost an average of \$825,177 annually over the first three years of the contract for a total of \$2,475,531. Non-targeted costs were not included in the original contract amount.

In April 2018, the Procurement Services Division administratively approved a 10% increase to the contract for non-targeted services in the amount of \$1,700,926 resulting in an overall contract amount of \$18,753,602.

In May 2018, the City renewed the contract for an additional two-year term adding \$12,376,509.30 of allowable spend which resulted in a new contract total of \$31,130,111.30. In July 2019, the Procurement Services Division extended the current contract period by 18 weeks for a new expiration date of September 30, 2020. This extension would make the term of the contract coincide with the City's fiscal year. The City's cost for the extension is \$2,142,088, bringing the total contract amount to \$33,272,199.30.

Since the original contract approval in 2015, the City's fleet has increased from 1,463 units to 1,710 units. After consultation with FVS, it is recommended that the contract be amended to annually compare the fleet composition to the previous calendar year rather than the fleet composition at the time the RFP was issued. The proposed changes in the second amendment will provide a savings to the City by reducing fluctuations in maintenance costs and allowing limited growth within the fleet without penalty.

At the current rate of expenditure related to non-target costs, an additional \$2,000,000 needs to be added to the contract total to meet the needs through the end of the current contract term of September 30, 2020. This will bring the total contract amount to \$35,272,199.30.

### **Resource Impact**

There is no fiscal impact for FY 2019. Future expenditures are contingent upon approval and appropriation of the City's operating budgets.

### **Strategic Connections**

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- **Goal 12:** Be a leading government organization, managing our resources wisely and sustainably.
  - **Objective 3:** Provide safe, efficient and well-maintained vehicles, equipment, and facilities and integrate sustainability into daily operations.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan. We Are United.*

### **Attachments**

Exhibit 1 – Contract No. 555-11442

Exhibit 2 – Second Amendment to Contract

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