



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

#20-0667

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

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: September 15, 2020

TITLE: Motion Approving Amendment of the Second Two-year Renewal for Years Six and Seven and Approve Funding to Contract for Fleet Maintenance and Management Services and Central Warehouse - First Vehicle Services, Inc. - \$2,137,298 - **(Commission Districts 1, 2, 3 and 4)**

Recommendation

It is recommended that the City Commission approve a second two-year renewal for years six and seven to Contract No. 555-11442 for fleet maintenance and management services and central warehouse with First Vehicle Services, Inc. ("FVS") and approve funding increase in the amount of \$2,137,298 for these services.

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 total estimated amount of \$16,675,000. (CAM #15-0370)

On April 4, 2017, the City Commission approved the first amendment to the FVS contract to increase contract expenditures by \$188,838 per year for the remaining two years. The increase in funds was due to the fleet size increasing from 1,463 to 1,553 units since entering the original contract which is addressed in Section 13.7 of the contract. This brought the total three-year contract value to \$17,052,676. (CAM #17-0258)

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.

Non-targeted contract services, including unscheduled repairs, damages, specialized equipment, cost an average of \$825,177 annually over the first three years of the contract. These expenses were not included in the original approved purchase amount. On September 3, 2019, the City Commission approved a second amendment for an additional \$2,000,000 for non-targeted costs which were not part of the original award, bringing the five-year total contract amount to \$35,272,199.30. (CAM #19-0594)

Pursuant to the contract Section 13.6 Cost Adjustment and Agreement Renewal, FVS is requesting a 3.4% increase based on the Motor Vehicle Maintenance and Repair Index (Exhibit 1). For years six and seven of the final two-year renewal this will result in a total increase of \$404,784, increasing the targeted contract amount to \$12,310,189 for the final two-year term. Additionally, Fleet is requesting \$1,732,514 as the non-targeted amount for the two-year renewal. Commission action on this item will approve the final two-year renewal targeted and non-targeted services as well as the Consumer Price Index (CPI) increase resulting in a total contract renewal amount of \$14,042,703 and a seven-year contract total of \$49,314,902.30.

While Section 13.7 of the contract allows a fleet adjustment annually based on a vehicle category/class or unit type changing by 10%, the vendor has waived any increase for FY 2021.

Resource Impact

There is no fiscal impact for FY 2020. Future expenditures are contingent upon approval and appropriation of the City's operating budgets.

Strategic Connections

This item supports the *Press Play Fort Lauderdale Strategic Plan 2024* Strategic Plan, specifically advancing:

- Goal 8: Build a leading government organization that manages all resources wisely and sustainably.
- Objective: Provide safe, well-maintained, and efficient facilities and capital assets.

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

Attachments

Exhibit 1 – Contract No. 555-11442

Exhibit 2 – FVS Renewal Letter

Exhibit 3 – Third Amendment to Contract

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