



COUNTY OF LOS ANGELES
Internal Services Department
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To enrich lives through effective and caring service.

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December 1, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AWARD OF VEHICLE FLEET MAINTENANCE AND REPAIR SERVICES CONTRACT
(ALL DISTRICTS – 3 VOTES)**

SUBJECT

Approval of a contract for vehicle fleet maintenance and repair services for various County departments. The contracted services include preventative maintenance, mechanical repairs, repairs for damage caused by accident, abuse, and vandalism; tire service, towing, vehicle preparation, motor pool services, vehicle inspections, and fleet maintenance support.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that vehicle fleet maintenance and repair services can be performed more economically by an independent Contractor than by County employees.
2. Approve and instruct the Chairperson to sign the attached contract with All Star Fleet Services, LLC to provide vehicle fleet maintenance and repair services effective February 1, 2010 for a period of three (3) years, with two (2) two-year renewal options and six (6) month to month extensions. The estimated first year cost for this contract is \$5.6 million; however, costs will fluctuate based on the use of the contracted services by County departments.
3. Authorize the Director of Internal Services Department (ISD) or designee to exercise the renewal option and month-to-month extensions in accordance with the attached contract.
4. Authorize the Director of ISD or his designee to add and delete facilities and, upon review by County Counsel, to approve necessary changes to scope of services.

5. Delegate authority to the Director of ISD, or his designee, to execute applicable contract amendments should the original contracting entity merge, be acquired, or otherwise has a change of entity.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

ISD currently contracts for vehicle fleet maintenance and repair services to all County departments with the exception of Sheriff, Fire, and Public Works departments. The current contract with Johnson Controls, Inc. expires January 31, 2010. The recommended actions will ensure that the vehicle fleet maintenance and repair services continue.

Implementation of Strategic Plan Goals

The recommended contract supports County Strategic Plan Goals Number 1 (Operational Effectiveness) by effectively managing County resources and providing efficient and responsive vehicle fleet maintenance and repair services County-wide.

FISCAL IMPACT/FINANCING

The Contractor is not guaranteed a fixed workload, and will be paid on a fee-for-service basis. This approach is deemed to be in the County's best interest as departments will only be charged for repair costs as they are incurred. Based on historical data, anticipated first year contract costs are approximately \$5.6 million. The proposed contract rates are lower than the current contract rates which are expected to result in approximately \$1.3 million in additional annual savings to the County.

The Department conducted a cost analysis to determine that the contract is cost effective, a summary of which is attached (Attachment 1). Because ISD's fleet operations were initially contracted over 20 years ago, no recent actual County staffing data exists. For this analysis, ISD developed a current County staffing estimate by working with a fleet management consultant, using historical repair data, National Association of Fleet Administrators staffing recommendations, and a review of other public agencies' fleet operations. The resulting estimated County staffing level is 44 positions, compared to the current contractor's (Johnson Controls, Inc.) staffing of 48, the recommended proposer's staffing of 29, and the non-selected proposer's staffing of 52. The Auditor-Controller has reviewed the Department's cost analysis and indicated that, subject to the staffing estimates, the contract is cost effective. Because the actual amount of vehicle maintenance and repair may be more or less than projected, the actual contract savings may vary.

Sufficient appropriation for the recommended contract is included in ISD's FY 2009-10 Budget and sufficient appropriation will be requested in future years. Expenditures will be offset through billings to County departments.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The terms and conditions of the recommended contract have been approved as to form by County Counsel. The contract contains the Board's required contract provisions, including those pertaining to consideration of qualified County employees targeted for layoffs, as well as qualified GAIN/GROW participants for employment openings, compliance with the Jury Service Ordinance, Safely Surrendered Baby Law and the Child Support program. This contract is subject to the Living Wage Program (County Code Chapter 2.201). The recommended contractor will pay a minimum of \$11.84 to its employees providing services under the proposed contract, as well as contribute toward an employee health plan.

The contract rates are fixed for the initial three (3) year term of the contract. The contract allows for a Cost of Living Adjustment (COLA) increase to the hourly labor rates during the option years, if the option years are exercised. The COLA language in the contract complies with your Board's directive that COLAs for Living Wage contracts be limited to only the non-labor costs associated with the contract, unless the Contractor can demonstrate an increase in labor cost.

CONTRACTING PROCESS

On March 19, 2009, ISD released a Request for Proposals (RFP) for Vehicle Fleet Maintenance and Repair Services and posted the solicitation and contracting opportunity announcement on the County's "Doing Business with Us" web site (Attachment 2). Notice of the RFP was sent by electronic mail to 33 vendors registered with the County, and 15 non-registered vendors (Attachment 3). In addition, the contracting opportunity was advertised in the following publications: Los Angeles Times, Long Beach Press Telegram, and Hoy Newspaper.

Eleven vendors attended the Mandatory Proposer's Conference held on April 6, 2009. Two proposals were received on April 27, 2009 and were reviewed for compliance with the minimum requirement criteria stated in the RFP. Both proposals were determined to be in compliance with the minimum requirement criteria and a committee evaluated the proposals in accordance with the evaluation process identified in the RFP. The non-selected proposer received a debriefing on September 17, 2009. There were no protests resulting from this solicitation.

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All Star Fleet Services, LLC has indicated their willingness to interview and consider the existing contractor's workforce for employment with their company under the recommended contract.

The recommended vendor received the top ranked score and proposed the lowest cost to the County. A non-substantive modification was negotiated to the standard insurance language with the assistance of the Chief Executive Office Risk Management.

A summary of Community Business Enterprise Program information for the recommended vendor is attached (Attachment 4). On final analysis, selections were made without regard to gender, race, creed, or color or national origin.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this contract will allow the County to continue to provide vehicle fleet maintenance and repair services for various County departments throughout the County of Los Angeles, and will ensure a continued well-maintained County vehicle fleet with no disruption in service.

CONCLUSION

Upon Board approval, the Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board letter to ISD as well as two original signed contracts.

Respectfully submitted,



TOM TINDALL
Director

TT:YY

Attachments (4)

c: Chief Executive Officer
County Counsel