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May 20, 2014

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

Dear Supervisors:

**REQUEST TO INCREASE ANNUAL EXPENDITURE CAP FOR VEHICLE
MAINTENANCE AND REPAIR SERVICES CONTRACT
(ALL DISTRICTS – 3 VOTES)**

SUBJECT

Request to increase the annual vehicle maintenance and repair services contract expenditure cap with G4S Fleet Services, LLC.

IT IS RECOMMENDED THAT THE BOARD:

Increase the annual expenditure cap by \$0.9 million, from \$6.2 million to \$7.1 million with G4S Fleet Services, LLC.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Internal Services Department (ISD) provides fleet maintenance and repair services to County departments, except for Sheriff, Fire and Public Works, using a combination of contract staff and County personnel (Mall Garage).

On December 1, 2009, your Board approved ISD's current fleet maintenance and repair services contract with G4S Integrated Fleet Services, LLC ("G4S"), formerly All Star Fleet Services, LLC. ISD was instructed to provide quarterly reports on actual contract expenditures, and return to your Board for approval if annual expenditures were expected to exceed \$5.6 million.

On June 5, 2012, your Board approved a contract expenditure increase to \$6.2 million. The increase was due to various factors, including, an increase in body shop work, improved adherence to preventive

maintenance schedules, and regulatory compliance issues with heavy duty vehicles.

In the instant matter, the requested increase is necessary to keep up with extraordinary services due, in part, to an aging vehicle fleet, increase in material costs (e.g., parts/tires, etc.) , and additional AB109 fleet-related requirements.

Fleet Age. Due to budget curtailments and purchasing moratoria over the past several years, the average vehicle age of the ISD-managed fleet has increased from seven to ten years. This has resulted in more and costlier repairs (e.g., engine overhaul, transmission replacement, etc.).

Fleet-related AB109 requirements. The unanticipated costs associated with the up-fitting (e.g., lights, sirens, cages, etc.) of new vehicles for operational requirements such as those for AB109 and other emergency vehicles have consumed funding which would have been otherwise used for routine maintenance.

Implementation of Strategic Plan Goals

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

FISCAL IMPACT/FINANCING

Contract expenditures are expected to fluctuate with County service requirements. The contract terms provide for payment to the contractor on a fee-for-service basis, with no guaranteed workload.

Departments are only charged for repair costs as they are incurred. Accordingly, each respective department's annual budget will contain sufficient appropriation for their request for services.

As fleet expenditures are authorized by, and billed to the County departments that own the vehicles, this increase will not result in any additional net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The contract terms and conditions remain in effect as approved by your Board. This contract is subject to the Living Wage Program (County Code Chapter 2.201). As such, the contractor pays a minimum of \$11.84 to its employees providing services under this contract and contributes toward an employee health plan.

CONTRACTING PROCESS

On December 1, 2009, your Board approved the vehicle fleet maintenance and repair services contract with G4S. The contract was effective February 1, 2010 for a period of three years, with two, two-year renewal options and six month-to-month extensions.

The contract provides the following vehicle maintenance and repair services: preventive maintenance, mechanical repairs, body repairs and paint for damage caused by accidents, abuse, and vandalism;

tire service, towing, new vehicle preparation, motor pool services, vehicle inspections, and fleet maintenance support.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the increased expenditure cap will allow ISD to continue to provide fleet maintenance and repair services for County departments, and without a disruption in services.

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,

A handwritten signature in cursive script that reads "Jim Jones".

JIM JONES

Director

JJ:JS:MN

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors