



LEROY D. BACA, SHERIFF

County of Los Angeles
Sheriff's Department Headquarters
4700 Ramona Boulevard
Monterey Park, California 91754-2169

A Tradition of Service



October 02, 2012

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

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

29 October 2, 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**APPROVE AMENDMENT NUMBER TWO TO AGREEMENT
NUMBER 76056 WITH PENSKE TRUCK LEASING COMPANY, L.P. FOR
AUTOMOTIVE FLEET MANAGEMENT AND MAINTENANCE SERVICES
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

The Los Angeles County Sheriff's Department (Department) is seeking the Board's approval and execution of Amendment Number Two (Amendment) to Agreement Number 76056 (Agreement) with Penske Truck Leasing Company, L.P. (Penske) that will extend the term of the current Agreement for automotive fleet management and maintenance services (Services) for up to 18 months. This extension period is required to allow for the completion of the solicitation process for a new Service agreement.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the Chairman of the Board to sign the attached Amendment to the Agreement with Penske to continue providing Services. The Amendment will (1) extend the term of the Agreement for 12 months, from November 1, 2012, through October 31, 2013, with an option to thereafter extend for up to an additional six months, and (2) increase the annual Fixed Price portion of the Agreement by \$565,675.
2. Delegate authority to the Sheriff or his designee to execute the extension option if it is in the best interest of Los Angeles County (County).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will allow the Department to continue to engage Penske to perform Services necessary to maintain the Department's fleet of approximately 5,978 vehicles, including any future additions to the fleet. The Amendment will enable the Department to continue providing around-the-clock service to the residents of the County by ensuring that the Department's automotive fleet remains maintained and operational.

The proposed Amendment will also allow the Department to complete the solicitation process for a new Service agreement.

Implementation of Strategic Plan Goals

The services provided under this Amendment support the County's Strategic Plan, Goal 1, Operational Effectiveness, by enabling the Department to provide well-maintained vehicles to its deputies, thereby enabling them to perform their duties in a reliable and secure manner.

FISCAL IMPACT/FINANCING

Funding is included in the Department's Fiscal Year 2012-13 budget for the anticipated level of service. The Department will continue to allocate the funds required to continue the Services throughout the duration of the Agreement as extended by the proposed Amendment.

The negotiated increase to the annual fixed price portion of the Agreement is \$565,675 which includes \$209,000 for parts, tires, and oil; and \$356,675 for labor cost increases associated with extending the Agreement beyond the original term. Based on the above increased costs, the estimated cost for the Amendment is approximately \$29 million for the one-year and six optional months, if they are utilized.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On March 13, 2007, the Board approved the Agreement with Penske to provide the aforementioned Services. On July 6, 2010, Amendment Number One was approved by the Board, adding specific labor rates for Specialized Conversion Outfitting Services, to convert the Department's Mobile Data Terminal-equipped vehicles to Mobile Data Computer-equipped vehicles. Amendment Number One increased the Contract Sum by approximately \$3,011,310.

CONTRACTING PROCESS

A Proposition A cost analysis has been conducted, and the Agreement together with this Amendment continues to meet Proposition A cost effectiveness criteria.

Penske is in compliance with all Board, Chief Executive Office, and Living Wage Program (County Code Chapter 2.2001) requirements.

County Counsel has reviewed and approved the Amendment as to form.

The Honorable Board of Supervisors

10/2/2012

Page 3

Except as expressly provided in the Amendment, all other provisions and conditions of the Agreement will remain the same and in full force and effect.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

If the Amendment is not approved, the Department will not have vehicle maintenance Services beyond October 31, 2012. This would likely have an immediate and direct negative impact on the Department's ability to provide adequate services to the citizens of the County.

CONCLUSION

Upon approval by the Board, please return two adopted copies of this Board letter and three original executed copies of the Amendment to the Department's Contracts Unit.

Sincerely,



LEROY D. BACA

Sheriff

LDB:IS:is

Enclosures

**AMENDMENT NUMBER TWO
TO
AGREEMENT NUMBER 76056
FOR AUTOMOTIVE FLEET MANAGEMENT AND MAINTENANCE SERVICES**

This Amendment Number Two to Agreement Number 76056 (hereinafter "Agreement") is entered into by and between the County of Los Angeles (hereinafter "County") and Penske Truck Leasing Co., L.P., a Limited Partnership organized under the laws of Delaware (hereinafter "Contractor"), effective upon execution by the County Board of Supervisors.

- A. WHEREAS, on March 13, 2007, County and Contractor entered into the Agreement with a Commencement Date of May 1, 2007 to provide Automotive Fleet Management and Maintenance Services for the Los Angeles County Sheriff's Department (hereinafter "Department"); and
- B. WHEREAS, on July 6, 2010, County and Contractor entered into Amendment Number One to the Agreement to require Specialized Conversion Outfitting Services and to provide specific labor rates for the Specialized Conversion Outfitting services related to the conversion of MDT equipped vehicles to MDC equipped vehicles; and
- C. WHEREAS, the Agreement currently expires on October 31, 2012; and
- D. WHEREAS, County and Contractor agree to (1) extend the term of the Agreement for an additional one (1) year period from November 1, 2012 through and including October 31, 2013, with an additional six-month option period, in any increment, and (2) increase the annual Fixed Price portion of the Agreement by \$565,675.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, County and Contractor hereby agree as follows:

- 1. Paragraph 7, Term, of the Agreement is deleted in its entirety and replaced as follows to extend the Term of the Agreement through October 31, 2013:

7. Term

- 7.1 The term of the Agreement shall be from March 13, 2007 through October 31, 2013, unless sooner terminated or extended, in whole or in part, as provided herein.
- 7.2 County shall have the sole option to extend the Term of this Agreement for an additional period not to exceed six (6) months, in any increment (each an "Option Term"). Any such extension shall

**AMENDMENT NUMBER TWO
TO
AGREEMENT NUMBER 76056
FOR AUTOMOTIVE FLEET MANAGEMENT AND MAINTENANCE SERVICES**

be in the form of a written Amendment to this Agreement, executed by both Sheriff and Contractor. As used herein, the "Term" shall mean the initial term and, if extended, each Option Term, as the case may be.

- 7.3 County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether County will exercise a contract term extension option.
 - 7.4 Contractor shall notify the County Project Manager and County Project Director when this Agreement is within six (6) months from the expiration of the Term as provided for hereinabove.
- 2. Exhibit C, Pricing Sheet, of the Agreement is deleted in its entirety and replaced with the attached revised Exhibit C, Pricing Sheet, to increase the annual Fixed Price portion of the Agreement by \$565,675.
 - 3. Contractor represents and warrants that the person executing this Amendment Number Two for Contractor is an authorized agent who has actual authority to bind Contractor to each and every item, condition, and obligation of the Amendment and that all requirements of Contractor have been fulfilled to provide such actual authority.
 - 4. Except as expressly provided in this Amendment Number Two, all other provisions, terms, and conditions of the Agreement will remain the same and in full force and effect.

**AMENDMENT NUMBER TWO
TO
AGREEMENT NUMBER 76056
FOR AUTOMOTIVE FLEET MANAGEMENT AND MAINTENANCE SERVICES**

IN WITNESS WHEREOF, the County of Los Angeles, by order of its Board of Supervisors has caused this Amendment Number Two to be executed on its behalf by the Chairman of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, and Contractor has executed this Amendment Number Two, or caused it to be duly executed by its duly authorized officer.

COUNTY OF LOS ANGELES

By: *[Signature]*
Chairman, Board of Supervisors

ATTEST:
SACHI A. HAMAI
Executive Officer
Los Angeles County
Board of Supervisors

By: *[Signature]*
Deputy OCT 02 2012

PENSKE TRUCK LEASING CO., L.P.

Signed: *[Signature]*

Printed: *RICK PYTLIK*

Title: *Area Vice President*

APPROVED AS TO FORM:
JOHN KRATTLI
County Counsel

By: *[Signature]*
Michele Jackson
Senior Deputy County Counsel



I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By: *[Signature]*
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

OCT 02 2012

76056
agreement no. 2

EXHIBIT C

PRICING SHEET

Amended and Restated Under Amendment Number Two

A. FIXED PRICE FOR FLEET MAINTENANCE

Effective November 01, 2012, the Contractor's annual price for Fixed-Price services is **\$13,828,846** for the Adjusted Fleet size of **4,946** units, refer to Table A.2 of this section for the adjusted quantities for Groups 1, 2, and 3.

Contractor shall invoice County one-twelfth of the annual Fixed Price portion of the Agreement in arrears on a monthly basis, beginning thirty (30) days after the commencement date. This base price, per unit increases and/or decreases, and Fee-for-Service labor rates may be adjusted as described in the Agreement, Paragraph 8., Prices and Fees.

Contractor's annual price for Fixed-Price services beginning November 1, 2012 is **\$12,173,756**. The amount of **\$12,173,756**, is for the **Fixed Price Base Fleet size of 4,216 units**, in the quantities specified below for Groups 1, 2, and 3. This will remain as the set price and set fleet size from which all **future** Fixed-Price adjustments will be made.

Month to month extensions will be at the price of the Agreement at the time the extension is exercised.

A.1 FIXED PRICE BASE FLEET

FIXED PRICE BASE FLEET SIZE	NUMBER OF UNITS
1 - Non-emergency sedans, trucks, vans, and other vehicles/equipment with a GVW rating of 10,000 lbs. or less, and all On-road trailers	2,300
2 - Emergency Patrol/Rescue Sedans, trucks, and vans with a GVW rating of 10,000 lbs. or less, and On-road motorcycles, Off-road motorcycles, and ATV's,	1,677
3 - Trucks, buses, and other vehicles/equipment with a GVW rating of 10,001 lbs. or higher	239
TOTAL	4,216

**A.2 ADJUSTED FLEET SIZE FROM TABLE A.1 - FIXED PRICE BASE FLEET
(EFFECTIVE 11/01/12)**

ADJUSTED FLEET SIZE	CHANGE MADE	ADJUSTED NUMBER OF UNITS
Group 1 - Non-emergency sedans, trucks, vans, and other vehicles/equipment with a GVW rating of 10,000 lbs. or less and all On-road trailers	+218	2,518
Group 2 - Emergency Patrol/Rescue Sedans, trucks, and vans with a GVW rating of 10,000 lbs. or less, and On-road motorcycles, Off-road motorcycles, and ATV's	+477	2,154
Group 3 - Trucks, buses, and other vehicles/equipment with a GVW rating of 10,001 lbs or higher	+35	274
	TOTAL	4,946

B. ADJUSTMENTS TO BASE FLEET FIXED PRICE AMOUNT

B.1 CHANGE IN FLEET SIZE

PRICE COMPONENT	PER UNIT PRICE
1 - Non-emergency sedans, trucks, vans, and other vehicles/equipment with a GVW rating of 10,000 lbs. or less, and all On-road trailers	\$1,166
2 - Emergency Patrol/Rescue Sedans, trucks, and vans with a GVW rating of 10,000 lbs. or less, and On-road motorcycles, Off-road motorcycles, and ATV's	\$2,437
3 - Trucks, buses, and other vehicles/equipment with a GVW rating of 10,001 lbs. or higher	\$5,299

The current equipment type numbers of vehicles/equipment assigned to each group are as follows:

Group 1: 4, 7, 10, 13, 25, 39, 40, 43, 46, 47, 48, 49, 50, 52, 55, 58, 61, 64, 67, 70, 71, 73, 80, 91, 92, 93, 94, 95, 96, and 98

Group 2: 1, 2, 15, 16, 19, 20, 22, 23, 28, and 97

Group 3: 3, 5, 6, 29, 30, 31, 34, 37, 66, 68, 69, 72, 74, 75, 76, 79, 82, 85, 86, 87, 88 and 90

The description of each of the equipment type numbers is shown in Exhibit B, Statement of Work, Attachment 7. Additional equipment type numbers may be added during the course of this Agreement by the County Project Manager or his/her designee, as needed, and in accordance with the Price Component descriptions for Groups 1, 2, and 3 listed above.

The per unit prices for Group 1, Group 2, and Group 3 units are applicable for each vehicle or piece of equipment added to or deleted from the Fixed Price fleet, regardless of where the unit is allocated or assigned. The adjustment amount for the increases or decreases to the Fleet Base Price, which was confirmed at Agreement signing, shall be calculated based on per unit prices and shall be added to the annual fixed price in the manner set forth below. An initial Fixed Price fleet size adjustment from the **Base Fleet Size of 4,216 units** will be made within the first (5) business days of Agreement start, and will be effective as of the first day of the Agreement. Additionally, Fixed Price fleet size adjustments shall be made semi-annually, effective the first of the month every six (6) months thereafter. Interim Fixed Price fleet size adjustments may be made, when requested in writing by Contractor or by County, when increases or decreases equating to \$60,000 annually occur within a semi-annual period. The interim price adjustment shall become effective for the first whole month following the date the increase/decrease is approved by the County Project Manager or his/her designee, and shall remain effective until the next adjustment is made. Changes in the CPI and/or the average salary movement granted to County employees will be applied to these Change in Fleet Size rates as specified in the Agreement, Paragraph 8., Prices and Fees.

Any vehicle or piece of equipment found, during a fleet inventory review, to be an exception to its group assignment by equipment type, i.e. incorrectly assigned, or any vehicle and/or piece of equipment/attached refrigeration units, will be assigned to the correct group at that time. The fleet size adjustment price for any unit, when removed, corrected, and/or added to the fleet, will be according to its correct group assignment, and shall become effective for the first whole month following the date the adjustment is approved. Any and all fleet size adjustments, corrections, and/or additions must be approved by the County Project Manager or his/her designee.

B.2 FIXED PRICE CHANGE FOR MINIMUM STAFFING INCREASE/DECREASE

The Contractor's price for Fixed-Price services shall be adjusted for increases or decreases in the Agreement mandated Minimum Staffing level, when required by County. This shall be accomplished through the Change Order process, as specified in Section 6.0 of the Agreement. An addition or reduction of journeyman vehicle, equipment, body/fender mechanics, or automotive painters, above or below the total minimum staffing requirement of ninety-eight (98) personnel in these job classifications, as specified in Exhibit B, Attachment 3, Repair Locations/Minimum Staffing, shall increase or decrease the Contractor's Base Price for Fixed-Price services by **\$52,988** annually per minimum staff employee. One example would be if the Department should open a new repair facility, and the County Project Manager determines that this requires an additional minimum staff mechanic, and not just the transfer of existing personnel. This would require an increase in

the Contractor's Base Price for Fixed-Price services. Conversely, should the Department close a repair facility or require less minimum staff due to fewer contract cities, etc., and the County Project Manager determines that this requires a reduction of minimum staff mechanics, this would require a decrease in the Contractor's Base Price for Fixed-Price services. Changes in the CPI and/or the average salary movement granted to County employees will also be applied to this rate, in accordance with the Agreement, Paragraph 8., Prices and Fees.

C. FEE-FOR-SERVICE HOURLY LABOR RATES

The following hourly labor rates shall apply to Fee-for-Service charges, in accordance with Section V V of Exhibit B, Statement of Work. Increases in the CPI or the average salary movement granted to County employees as specified in the Agreement, Paragraph 8, Prices and Fees, will be applied to these rates in accordance with the same schedule of rate increases.

CATEGORY	HOURLY LABOR RATE	OVERTIME HOURLY LABOR RATE
Light and Medium vehicle, trailer, and Boat Mechanical Repair, Outfitting, and Preparation for Disposal	\$ 43.45	\$ 54.31
Heavy Vehicle Mechanical Repair, Outfitting, and Preparation for Disposal	\$ 47.69	\$ 59.61
Mechanical Repair and Body Repair/Painting of Off Highway and Auxiliary Equipment	\$ 47.69	\$ 59.61
Mechanical Repair and Body Repair/Painting of On-road motorcycles, Off-road motorcycles, and ATV's	\$ 44.51	\$ 55.64
Body Repair/Painting Light and Medium vehicles and Boats	\$ 44.51	\$ 55.64
Body Repair/Painting Heavy Vehicle, Semi-Trailer and Bus	\$ 47.69	\$ 59.61
Specialized Conversion Outfitting for Light, Medium, and Heavy Vehicles, Semi-Trailers, and Buses * Specifically for converting Mobile Digital Terminal equipped vehicles to Mobile Digital Computer equipped vehicles and updating all associated equipment (refer to Section V V.1.p)	\$ 95.00	\$ 95.00

D. FEE-FOR-SERVICE PAINT MATERIAL COSTS

The following price per estimated paint hour rates shall apply to accident repair Fee-for-Service charges, in accordance with Section V V of Exhibit B, Statement of Work. Increases in the CPI or the average salary movement granted to County employees as specified in the Agreement, Paragraph 8, Prices and Fees, will be applied to these rates in accordance with the same schedule of rate increases. Inordinate changes in auto and truck paint material costs, due to environmental and/or market price mandates, may justify interim rate changes, when documented by Contractor, and approved by the County Project Manager and described in Paragraph 8 of the Agreement

CATEGORY	COST PER ESTIMATED PAINT HOUR
Single Stage Paint Rate	\$ 25.43
Multiple Stage Paint Rate	\$ 43.94