



City Council

Approval of an Interlocal Agreement with State Department of Enterprise Services for Vehicle and Equipment Repair and Maintenance Services

Agenda Date: 10/22/2013
Agenda Item Number: 4.B
File Number: 13-0839

Type: contract **Version:** 1 **Status:** Passed

Title

Approval of an Interlocal Agreement with State Department of Enterprise Services for Vehicle and Equipment Repair and Maintenance Services

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve an Interlocal Agreement for Vehicle Maintenance and Repair Services with DES with all applicable terms and conditions, and authorize the Mayor to sign the Agreement.

Body

Issue:

Whether to enter into an Interlocal Agreement with the State of Washington, Department of Enterprise Services (DES) for Vehicle Maintenance and Repair Services to allow the City to provide vehicle and equipment maintenance and repair services to DES.

Staff Contact:

Paul Hanna, Public Works General Services, 360.753.8256

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

In May, the Department of Enterprise Services contacted the City to determine if we could provide repair and maintenance services on six of their heavy duty trucks. DES operates a fleet of six heavy-duty vehicles, including three refuse trucks in the Olympia area. DES does not employ heavy-duty mechanics nor do they have the proper facilities to perform these types of services. DES currently uses private repair shops, which they describe as costly and inconvenient due to their DES location.

The City currently maintains appropriate facilities and employs five ASE Master Certified personnel to perform such work. The City has capacity with our current staffing levels to provide the services being

requested such as annual vehicle and equipment inspections and repairs, immediate repairs during unexpected breakdowns, and roadside service calls. There will be no impact to our current City Fleet maintenance and repair services.

If approved, DES will be charged the same hourly labor rate as charged to internal customers -- \$120/hour for labor with a 36 percent parts markup. This rate is competitive with private heavy-duty repair shops. DES will deliver and pick up their vehicles to the City's Maintenance Center facility. They will be billed for the service by invoice on a per-job basis. This agreement is similar to existing agreements between Olympia Fire Department and local fire districts.

Neighborhood/Community Interests (if known):

None known.

Options:

1. Approve the Interlocal Agreement with DES for Vehicle Maintenance and Repair for the period of 2013 -2015. The estimated annual income of \$32,000 will offset the Fleet operating budget and provide additional work to our existing staff. This revenue could potentially lower the overall labor hour rate for all customers as we evaluate our rates for 2015.
2. Do not approve the Interlocal Agreement with DES. The City will miss the opportunity to partner with another agency to share resources, generate additional revenue, and provide needed work to their highly trained staff.

Financial Impact:

Based on recommended maintenance plans and historical repairs for DES' six heavy-duty vehicles, we estimate generating up to \$32,000 annually.