

OFFICE OF THE CITY MANAGER
DES MOINES, IOWA

CITY COUNCIL COMMUNICATION 96-516
DECEMBER 2, 1996 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
FLEET MANAGEMENT AND VEHICLE MAINTENANCE CONTRACT	◆ RESOLUTION ORDINANCE RECEIVE/FILE	MARK J. DURHAM ACTING FINANCE DIRECTOR

SYNOPSIS —

The current agreement for fleet management and vehicle maintenance expires on January 1, 1997. The recent retirement of Martin Frederickson has prevented the preparation of a comprehensive Request for Proposals and Qualifications document necessary to determine if other qualified firms are interested in providing fleet maintenance services to the City.

Due to the short time period remaining between now and the January 1, 1997, expiration date, an extension of the current contract is necessary to prepare a comprehensive proposal document, distribute the document, receive and evaluate responses, obtain approval of a new contract, and if a new contractor is selected, flow for an orderly transition between contractors.

FISCAL IMPACT —

The adopted 1996-97 budget contains appropriations for fleet maintenance services for FY1997. The budget, to be negotiated with the contractor as part of the 12-month extension, will be funded from the budgeted appropriations.

RECOMMENDATION —

Approval for: 1) the Legal Department to prepare a 12-month extension with Managed Logistics Systems, Inc. for fleet management and vehicle maintenance services; and 2) the Mayor to execute such agreement on behalf of the City.

BACKGROUND —

The City of Des Moines privatized its fleet maintenance services effective June 1, 1983. On February 25, 1986, the City Council directed that a 10-year Fleet Management and Vehicle Maintenance Contract be executed for an initial term of four years and with two additional three-year renewal option periods. The agreement is between the City of Des Moines and Fleet Services, now known as Managed Logistics Systems, Inc.

The final option on the contract expires on January 1, 1997, which would normally present an opportunity to issue a Request For Proposal and Qualifications (RFP) to determine if there are other qualified firms interested in providing the fleet maintenance services, and if so, to submit proposals. While it could be in the public's best interest to issue an RFP, the recent retirement of the City's Finance Director has prevented the timely preparation of a detailed and comprehensive RFP. Such a document is necessary to ensure that the RFP adequately addresses the critical fleet maintenance service needs which are essential if the City is to ensure that the delivery of City services is not interrupted by the unavailability of equipment.

Due to the short period of time remaining between now and January 1, 1997, and because the level of user satisfaction with and performance of the current contractor has been good, it is recommended that City Council authorize a 12-month emergency contract extension with the current contractor to begin January 1, 1997 and end December 31, 1997. The extension will allow for preparation of a comprehensive RFP for equipment maintenance, an opportunity for the City to effect the planned reorganization and downsizing without the potential complications which could result from a concurrent change in fleet maintenance providers, and allow for a planned and reasonable transition period to occur between providers, should the process result in a new contractor. It is estimated that 90 days will be required to draft an appropriate RFP, issue the document, and receive and evaluate the responses. Once City Council selects a contractor and a contract is approved, the 60- to 90-day transition period will be required, if a new contractor is selected. Managed Logistics Systems, Inc. has agreed to the proposed extension.