

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Motion to Authorize the City Manager to Enter into an Interlocal Joint Purchasing Agreement and a Vehicle Maintenance, Repair and Upfitting Services Agreement with the City of Mountlake Terrace
DEPARTMENT:	Public Works Department
PRESENTED BY:	Jesus Sanchez, Operations Manager Phil Ramon, Fleet, Facilities and Property Management Supervisor
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT: Staff is requesting City Council to authorize the City Manager to execute an Interlocal Joint Purchasing Agreement and a Vehicle Maintenance, Repair and Upfitting Services Agreement with the City of Mountlake Terrace. The two agreements are discussed below:

Interlocal Joint Purchasing Agreement: The execution of this agreement allows the Cities of Shoreline and Mountlake Terrace to use their agency's contracts for the purchase of supplies, materials, equipment and services. In accordance with State law, interlocal agreements shall be approved by the City Council.

Vehicle Maintenance, Repair and Upfitting Services Agreement: The execution of this agreement allows the City of Shoreline to continue to contract for vehicle and equipment maintenance services with the City of Mountlake Terrace. The City of Mountlake Terrace has been providing excellent vehicle and equipment maintenance services since 2010 at competitive prices. The current maintenance services agreement is scheduled to expire on December 31, 2012.

RESOURCE/FINANCIAL IMPACT: The Interlocal Joint Purchasing Agreement allows for increased efficiencies in bidding and contracting for supplies, materials, equipment and services. The cities of Shoreline and Mountlake Terrace will experience cost savings by being able to utilize the other's bid packages and advertising and reduce staff time allocated to these activities since the lead city has already completed the bidding process.

Under the Vehicle Maintenance, Repair and Upfitting Services Agreement, Mountlake Terrace is proposing labor shop rates of \$80.19/hour for 2013, a 1.9% increase, and \$82.01/hour for 2014, a 2.2% increase. Their current rate for 2012 is \$78.73/hour. In addition, parts and materials would be charged as a separate cost with a 10% mark-up

above wholesale prices. The City's proposed 2013 Vehicle and Equipment Repair Budget totals \$213,635 and is subject to approval.

The attached Interlocal Joint Purchasing Agreement will commence upon execution by the City Manager and includes terms and conditions for both cities. The Vehicle Maintenance, Repair and Upfitting Services Agreement includes rate terms for 2013 and 2014 and allows for two additional one-year terms upon thirty (30) days written notice and with written authorized approvals. Extension agreements shall be executed prior to the expiration of the current term of the Agreement.

RECOMMENDATION

Staff recommends that Council authorize the City Manager to execute an Interlocal Joint Purchasing Agreement and a Vehicle Maintenance, Repair and Upfitting Services Agreement with the City of Mountlake Terrace with all applicable terms and conditions.

Approved By: City Manager ***JU*** City Attorney ***IS***

INTRODUCTION

The City of Mountlake Terrace has been providing vehicle and equipment maintenance services for the City of Shoreline's Fleet Program since 2010. Staff is requesting City Council to authorize the City Manager to execute an Interlocal Joint Purchasing Agreement and a Vehicle Maintenance, Repair and Upfitting Services Agreement with the City of Mountlake Terrace. Prior to contracting with the City of Mountlake Terrace for vehicle and equipment repair and maintenance services, the City of Shoreline used private repair shops which were costly and inconvenient due to their proximity to the City.

On July 26, 2010, City Council authorized the City Manager to enter into a Vehicle and Equipment Maintenance Services Agreement with the City of Mountlake Terrace. The current maintenance service agreement is scheduled to expire on December 31, 2012. Mountlake Terrace provides excellent maintenance services such as annual vehicle and equipment inspections and repairs, immediate repairs during unexpected breakdowns, and professional assessments. In addition, due to their close proximity to the City of Shoreline to drop off and pick up vehicles and equipment for maintenance, staff has saved valuable travel time. By maintaining the City's fleet, this maintenance agreement supports the Council's vision of providing quality service to the community.

BACKGROUND

Interlocal Joint Purchasing Agreement: The execution of this agreement allows the cities of Shoreline and Mountlake Terrace to use their agency's contracts for the purchase of supplies, materials, equipment and services. In accordance with State law, interlocal agreements shall be approved by the City Council. These types of interlocal agreements allow agencies to "piggyback" off each other's purchasing processes. They are authorized in accordance with RCW 39.34, the interlocal Cooperation Act and allow each of the cities to make purchases from each other's awards if a contractor agrees to offer the same price to the other agency. The lead agency does not accept any responsibility for orders or agreements entered by the other agency. The agency purchasing under the other agency's contracts is responsible for their own compliance with bid limits applicable to their agency's purchases.

Vehicle Maintenance, Repair and Upfitting Services Agreement: The execution of this agreement allows the City of Shoreline to continue to contract for vehicle and equipment maintenance services with the City of Mountlake Terrace. The City of Mountlake Terrace has been providing excellent vehicle and equipment maintenance services since 2010 at competitive prices. The current maintenance services agreement is scheduled to expire on December 31, 2012. Mountlake Terrace has provided hourly shop rates for 2013 and 2014.

RESOURCE/FINANCIAL IMPACT

Under the new Vehicle Maintenance, Repair and Upfitting Services Agreement, Mountlake Terrace is proposing labor shop rates at \$80.19/hour for 2013 and \$82.01/hour for 2014. Their current rate for 2012 is \$78.73/hour. In addition, Mountlake Terrace would charge a 10% mark-up to wholesale prices for parts and supplies. The

City's proposed 2013 Vehicle and Equipment Repair Budget totals \$213,385 and is subject to approval. Staff researched shop rates for other vehicle repair businesses in the local area and discovered labor shop rates to range from \$97.00 to \$125.00 for gas and diesel engine repair work. This budget also includes fuel services for all vehicles in the City's fleet. The following tables provides a summary of actual fuel and repairs for 2009, 2010 and 2011.

Year	Fuel	General Repairs *	Total
2009	\$54,517	\$118,400	\$172,917
2010	\$63,119	\$91,514	\$154,633
2011	\$82,044	\$91,718	\$173,762

* Actual miscellaneous expenses are included with general repairs.

As shown in the above table, repair costs have decreased since 2009 and remained stable for 2010 and 2011. Fuel costs have continued to fluctuate and increased from 2010 to 2011. By contracting with the City of Mountlake Terrace, Fleet Services has been able to perform comprehensive maintenance services to better maintain the City's fleet.

RECOMMENDATION

Staff recommends that Council authorize the City Manager to execute an Interlocal Joint Purchasing Agreement and a Vehicle Maintenance, Repair and Upfitting Services Agreement with the City of Mountlake Terrace with all applicable terms and conditions.

ATTACHMENTS

Attachment A: Interlocal Joint Purchasing Agreement

**CITY OF SHORELINE
INTERLOCAL JOINT PURCHASING AGREEMENT**

TERMS OF AGREEMENT

This Agreement is between the City of Shoreline, a political subdivision of the state of Washington, and the City of Mountlake Terrace, a political subdivision of the state of Washington.

WITNESSETH:

WHEREAS, the Interlocal Cooperation Act, as amended, and codified in Chapter 39.34 of the Revised Code of Washington provides for interlocal cooperation between governmental agencies; and

WHEREAS, Chapter 39.33 of the Revised Code of Washington provides for intergovernmental disposition of property and

WHEREAS, the parties desire to utilize each other's procurement agreements when it is in their mutual interest;

Now, therefore, the parties agree as follows:

1. The purpose of this agreement is to acknowledge the parties' mutual interest in jointly bidding, purchasing and acquiring goods and services where a price is extended by either party's bidder to other governmental agencies.
2. This agreement shall allow the following activities:
 - a. Purchase or acquisition of goods and services by each party acting as an agent for either or both parties when agreed to in advance, in writing; and
 - b. Purchase or acquisition of goods and services by each party where provision has been provided in contracts for other governmental agencies to avail themselves of goods, services and bid prices offered under the contract and where either party's bidder is willing to extend prices to other governmental entities.
3. For public works bids, the party must provide the other party with a written description of work thirty (30) days in advance of the public works bidding advertisement date.
4. Each party may insert in its solicitation for goods and services a provision that other authorized governmental agencies may also wish to procure the goods or services being offered to the party and allowing the bidder the option of extending its bid to other agencies at the same bid price, terms and conditions.

5. Each party reserves the right to contract independently for the acquisition of goods or services without notice to the other party and shall not bind or otherwise obligate the other party to participate in the activity.
6. Both parties, in contracting for the purchase of good and services, agrees to seek the same or similar terms for the other party. Each party accepts no responsibility for the payment of the acquisition price of any goods or services intended for use by the other party.
7. This agreement shall remain in force until cancelled by either party in writing.
8. Each party accepts responsibility for compliance with federal, state or local laws and regulations including, in particular, bidding requirements applicable to public works.
9. Each party shall be liable and responsible for consequences of any negligent or wrongful act or failure to act on the part of itself and its employees. Neither party assumes responsibility to the other party for the consequences of any act or omission of any person, firm or corporation not part of this agreement.
10. This Agreement shall be filed with the Snohomish County Auditor, or, alternatively, listed by subject on Mountlake Terrace's website or other electronically retrievable public source, pursuant to RCW 39.34.040. No separate legal entity has been created pursuant to this Agreement, and the Parties do not intend to acquire, hold, or dispose of real or personal property for the purposes of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the last date written below.

CITY OF SHORELINE

CITY OF MOUNTLAKE TERRACE

 Julie Underwood Date
 City Manager

 John J. Caulfield Date
 City Manager

APPROVED AS TO FORM:

By: _____
 Ian R. Sievers, City Attorney

Date: _____

By: _____
 Greg Schrag, Mountlake Terrace City Attorney

Date: _____