

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Motion to Authorize the City Manager to Execute a Vehicle Maintenance, Repair and Upfitting Services Agreement with the City of Mountlake Terrace

DEPARTMENT: Administrative Services Department

PRESENTED BY: Sara Lane, Administrative Services Director

ACTION: ☐ Ordinance ☐ Resolution ☒ Motion
 ☐ Discussion ☐ Public Hearing

PROBLEM/ISSUE STATEMENT:

The current vehicle maintenance, repair and upfitting services agreement with the City of Mountlake Terrace is scheduled to expire on December 31, 2015. Council approved the current agreement that includes an annual term beginning in January 2013 and two additional one-year options. The agreement includes a \$75,000 spending limitation in any calendar year. Staff is requesting that Council authorize the City Manager to enter into a new agreement (Attachment A) with the City of Mountlake Terrace. The City of Mountlake Terrace provides valuable services that are critical for the maintenance of City vehicles and equipment. The agreement includes repair, maintenance and upfitting services for all vehicles and equipment in the City's Fleet Program. They also repair smaller engine equipment for the City.

The Fleet Program is managed by the City's Central Services Division. The City of Shoreline began contracting with the City of Mountlake Terrace for vehicle maintenance and repair services in 2010. Current contract services and provisions include, but are not limited to the following:

- Competitive hourly labor rates for services.
- Regular and comprehensive service inspections and repairs of all City vehicles and equipment to ensure safe and efficient operation.
- Fast turnaround time when completing service repairs and inspections.
- Upfitting vehicle and equipment services to ensure vehicles and equipment are fleet ready for service.
- A resource for knowledge and expertise in fleet maintenance services.
- A work order system that describes the work performed on a vehicle or equipment.

There are three proposed changes included in the new agreement: 1) the contract term covering a three year term with two one year options to extend the agreement, 2) new

hourly shop rates commencing in 2016, and 3) an increase in the annual spending limitation. All other terms and conditions of the agreement remain the same.

With the transition of additional vehicles and equipment from Ronald Wastewater in 2017, staff recommends increasing the annual spending limitation from \$75,000 to \$90,000 beginning January 2018. The total anticipated cost for the three year period of 2016 through 2018 is \$240,000.

RESOURCE/FINANCIAL IMPACT:

The City's proposed 2016 Vehicle and Equipment Repair Budget includes sufficient funding to pay for the \$75,000 contract limit and revised spending limitations for other services.

RECOMMENDATION

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

Approved By: City Manager **DT** City Attorney **MK**

BACKGROUND

The City of Mountlake Terrace has been providing vehicle and equipment maintenance services to the City of Shoreline since 2010. Prior to contracting with the City of Mountlake Terrace, the City of Shoreline utilized a variety of repair shops to perform maintenance on City vehicles and equipment. The current agreement with the City of Mountlake Terrace has provided consistent and effective services. The Cities of Shoreline and Mountlake Terrace desire to continue the partnership with the execution of a new agreement.

DISCUSSION

The current Vehicle Maintenance, Repair and Upfitting Services Agreement was approved by City Council on November 19, 2012. The current extension is scheduled to expire on December 31, 2015. Since approval of the agreement, staff has been underway with completing regular maintenance and repair services of City vehicles and equipment. The City of Mountlake Terrace provides a variety of contract services that include but not limited to the following:

- Charge competitive hourly labor rates for their services.
- Regular and comprehensive service inspections and repairs of all City vehicles and equipment to ensure safe and efficient operation. Regular services inspections are based on mileage for vehicles and hours for equipment.
- Provides fast turnaround time when completing service repairs and inspections.
- Provide upfitting vehicle and equipment services to ensure vehicles and equipment are fleet ready for service.
- Serve as a resource for knowledge and expertise in fleet maintenance services.
- Uses a work order system that describes the work performed on a vehicle or equipment. In addition to the work performed, the work orders include information about the vehicle and equipment such as City number, date of service, mileage and/or hours, identification numbers, and vehicle description and model.

There are three proposed changes to the new agreement. They are 1) the contract term, 2) new hourly shop rates commencing in 2016, and 3) an increase in the annual spending limitation. All other terms and conditions of the agreement remain the same.

The existing one year agreement includes two additional one year options to extend for a total possible length of three years. The new agreement would include an initial term of three years with two one-year options to extend for a total possible length of five years. The two additional one-year options are subject to satisfactory performance. Staff recommends approval of the revised term for the new agreement. The initial term of the new agreement would become effective January 1, 2016 and terminate December 31, 2018, followed by two one-year extensions, if executed.

The City of Mountlake Terrace is proposing hourly shop rates of \$85.29 for 2016, a 3.3% increase from 2015 rates and \$86.57 for 2017, a 1.5% increase. The 2015 hourly shop rates are \$82.53. Staff contacted five repair shops in the area to request information on their hourly shop rates. The rates ranged from \$105 to \$125 per hour.

Staff recommends approval of the proposed hourly shop rates from Mountlake Terrace for the new agreement.

In accordance with the terms of the existing agreement, the maximum spending limitation for vehicle maintenance, repair and upfitting services is \$75,000 in a calendar year. In previous years from 2011 to 2014, spending has reached a high of \$52,244. With the transition of additional vehicles and equipment from Ronald Wastewater in 2017, staff recommends increasing the spending limitation from \$75,000 to \$90,000 beginning January 2018. Staff will then monitor the revised spending limitation and will return to Council to request an additional increase if it is necessary.

The following table provides a summary of annual expenditures for parts, labor and taxes from 2011 through 2014 for work performed by the City of Mountlake Terrace:

| Calendar Year | Expenditures |
|----------------------|---------------------|
| 2011 | \$48,745 |
| 2012 | \$52,244 |
| 2013 | \$40,436 |
| 2014 | \$51,864 |

Note: 2010 data not included because agreement commenced in August 2010. All other data includes complete year.

RESOURCE/FINANCIAL IMPACT

The City's proposed 2016 Vehicle and Equipment Repair Budget includes sufficient funding to pay for the \$75,000 contract limit, fuel, specialized repair shops and an on-call mechanic that provides emergency and after hours repair services.

RECOMMENDATION

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

ATTACHMENTS

Attachment A – Draft Vehicle Maintenance, Repair and Upfitting Services Agreement with the City of Mountlake Terrace



Contract No. 8351

Brief Description: Vehicle Maintenance, Repair and Uplifting

**AGREEMENT FOR VEHICLE MAINTENANCE, REPAIR AND UPFITTING SERVICES
BETWEEN THE CITIES OF SHORELINE AND MOUNTLAKE TERRACE**

This Agreement is entered into by and between the City of Shoreline, Washington, a municipal corporation hereinafter referred to as the “Shoreline” and the City of Mountlake Terrace, Washington, a municipal corporation, hereinafter referred to as “Mountlake Terrace,” collectively referred to as the “Parties” and individually as “Party.”

WHEREAS, Shoreline desires to retain the services of Mountlake Terrace for vehicle repair, maintenance and upfitting services; and

WHEREAS, Mountlake Terrace has the necessary personnel and equipment and is willing to provide said vehicle repair, maintenance and upfitting work as described in this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, it is mutually agreed as follows:

1. Scope of Services to be Performed by Mountlake Terrace.

Mountlake Terrace shall perform the services outlined in Exhibit A, which is attached hereto and incorporate by reference. In performing these services, Mountlake Terrace shall at all times comply with all federal, state and local statutes, rules and ordinances applicable to the performance of such services. In addition, these services and all duties incidental or necessary therefore, shall be performed diligently and completely and in accordance with professional standards of conduct and performance.

2. Compensation.

- A. Services will be paid at the rate set forth in Exhibit A. Shoreline’s requests for services, including costs for parts, materials and supplies, shall not exceed a maximum value of \$75,000 in a calendar year and increase to \$90,000 per calendar year effective in 2018. Rates set forth in Exhibit A may be increased by providing Shoreline with 30 days’ advance written notice of the actual increase in labor costs for Mountlake Terrace personnel providing the services.
- B. Shoreline shall pay Mountlake Terrace for services rendered after receipt of a billing voucher in the form set forth on Exhibit B, which is attached hereto and incorporated by reference. **NO PAYMENT WILL BE ISSUED WITHOUT A BILLING VOUCHER.** Payments will be processed within 30 (thirty) days from receipt of billing voucher. Mountlake Terrace shall complete and return Exhibit C, Taxpayer Identification Number, to Shoreline prior to or along with the first billing voucher. No payment will be issued without a Taxpayer Identification Number on file. Mail all billing vouchers to: the attention of the contract manager identified in Section 14, 17500 Midvale Avenue North, Shoreline, Washington 98133-4905.

3. Term.

- A. The term of this Agreement shall commence on January 1, 2016 and end at midnight on the 31st day of December, 2018. Shoreline may, at its sole option, extend this Agreement for two additional one-year terms upon thirty (30) days written notice to Mountlake Terrace.

4. Termination.

- A. Shoreline reserves the right to terminate this Agreement at any time, with or without cause by giving thirty (30) days notice to Mountlake Terrace in writing. In the event of such termination or suspension, all finished or unfinished documents, data, studies, worksheets, models and reports, or other material prepared by Mountlake Terrace pursuant to this Agreement shall be submitted to Shoreline.
- B. In the event this Agreement is terminated by Shoreline, Mountlake Terrace shall be entitled to payment for all hours worked and reimbursable expenses incurred to the effective date of termination, less all payments previously made. This provision shall not prevent Shoreline from seeking any legal remedies it may have for the violation or nonperformance of any of the provisions of this Agreement and any such charges due Shoreline shall be deducted from the final payment due Mountlake Terrace. No payment shall be made by Shoreline for any expenses incurred or work done following the effective date of termination unless authorized in advance in writing by Shoreline.
- C. Mountlake Terrace reserves the right to terminate this Agreement at any time, with or without cause by giving thirty (30) days notice to Shoreline in writing. In the event of such termination or suspension, all finished or unfinished documents, data, studies, worksheets, models and reports, or other material prepared by Shoreline pursuant to this Agreement shall be submitted to Mountlake Terrace.
- D. Mountlake Terrace reserves the right to terminate this Agreement with not less than thirty (30) days written notice.
- E. If Mountlake Terrace is unavailable to perform the scope of services, Shoreline may, at its option, cancel this Agreement immediately.

5. Ownership of Documents.

- A. All documents, data, drawings, specifications, software applications and other products or materials produced by Mountlake Terrace in connection with the services rendered under this Agreement shall be the property of Shoreline whether the project for which they are made is executed or not. All such documents, products and materials shall be forwarded to Shoreline at its request and may be used by Shoreline as it sees fit. Shoreline agrees that if the documents, products and materials prepared by Mountlake Terrace are used for purposes other than those intended by the Agreement, Shoreline does so at its sole risk and agrees to hold Mountlake Terrace harmless for such use.
- B. All or portions of materials, products and documents produced under this Agreement may be used by Mountlake Terrace if Shoreline confirms that they are subject to disclosure under the Public Disclosure Act.
- C. Mountlake Terrace shall preserve the confidentiality of all Shoreline documents and data accessed for use in Mountlake Terrace's work product. Any requests for Shoreline documents and data held by Mountlake Terrace shall be forwarded to Shoreline which solely shall be responsible for responding to the request.

6. Independent Contractor Relationship.

- A. Mountlake Terrace is retained by Shoreline only for the purposes and to the extent set forth in this Agreement. The nature of the relationship between Mountlake Terrace and Shoreline during the period of the services shall be that of an independent contractor, not employee. Mountlake Terrace, not Shoreline, shall have the power to control and direct the details, manner or means of services. Specifically, but not by means of limitation, Mountlake Terrace shall have no obligation to work any particular hours or particular schedule, unless otherwise indicated in the Scope of Work where scheduling of attendance or performance is critical to completion, and shall retain the right to designate the means of performing the services covered by this Agreement, and Mountlake Terrace shall be entitled to employ other workers at such compensation and on such other conditions as it may deem proper, provided, however, that any contract so made by Mountlake Terrace is to be paid

by it alone, and that employing such workers, it is acting individually and not as an agent for Shoreline.

- B. Shoreline shall not be responsible for withholding or otherwise deducting federal income tax or Social Security or contributing to the State Industrial Insurance Program, or otherwise assuming the duties of an employer with respect to Mountlake Terrace or any employee of Mountlake Terrace.

7. Hold Harmless.

Each Party agrees to be responsible and assume liability for its own wrongful and negligent acts or omissions, and/or those of its officers, agents, or an employee to the fullest extent allowed by law and thus agrees to save, indemnify, defend and hold harmless the other Party from any such liability. In the case of negligence of more than one Party, any damages allowed shall be levied in proportion to the percentage of negligence attributable to each Party, and each Party shall have the right to seek contribution from the other Party in proportion to the percentage of negligence attributable to that Party.

8. Gifts.

Shoreline's Code of Ethics and Washington State law prohibit City employees from soliciting, accepting, or receiving any gift, gratuity or favor from any person, firm or corporation involved in a contract or transaction. To ensure compliance with Shoreline's Code of Ethics and state law, Mountlake Terrace shall not give a gift of any kind to City employees or officials.

9. Insurance.

Mountlake Terrace shall obtain insurance of the types described below during the term of this agreement and extensions or renewals thereof, or provide proof of equivalent self-insurance or risk pool coverage.

- A. Commercial General Liability insurance covering premises, operations, independent contractors' liability and damages for personal injury and property damage with combined single limits not less than \$1,000,000.
- B. Automobile Liability insurance with combined single limits of liability not less than \$1,000,000 for bodily injury, including personal injury or death and property damage shall be required if delivery of service directly involves Mountlake Terrace use of motor vehicles.

10. Delays.

- A. Mountlake Terrace shall perform services to the extent of its available excess capacity and subject to Mountlake Terrace priorities as required to maintain Mountlake Terrace's own vehicles and subject to the priority for repair outlined in Exhibit A. In the event Mountlake Terrace determines it is not able to timely complete the requested work, due to work load, capacity and/or complexity of the anticipated work, Mountlake Terrace will immediately notify Shoreline accordingly.
- B. Mountlake Terrace is not responsible for delays caused by factors beyond Mountlake Terrace's reasonable control. When such delays beyond Mountlake Terrace's reasonable control occur, Shoreline agrees Mountlake Terrace shall not be liable or responsible for any loss or damages, nor shall Mountlake Terrace be deemed to be in default of the Agreement.

11. Successors and Assigns.

Neither Shoreline nor Mountlake Terrace shall assign, transfer or encumber any rights, duties or interests accruing from this Agreement without the written consent of the other; provided, however, nothing in this Agreement shall restrict or limit Mountlake Terrace, in its sole discretion, from having diagnostic, repair, maintenance and/or upfitting work performed by subcontractors. Mountlake Terrace may also perform diagnostic, repair, maintenance and upfitting work in accordance with services outlined in Exhibit A at any location determine by Mountlake Terrace, in its sole discretion, to be most efficient and practical.

12. Nondiscrimination.

In hiring or employment made possible or resulting from this Agreement, there shall be no unlawful discrimination against any employee or applicant for employment because of sex, age, race, color, creed, national origin, marital status or the presence of any sensory, mental, or physical handicap, unless based upon a bona fide occupational qualification. This requirement shall apply to but not be limited to the following: employment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. No person shall be denied or subjected to discrimination in receipt or the benefit of any services or activities made possible by or resulting from this Agreement on the grounds of sex, race, color, creed, national origin, age except minimum age and retirement provisions, marital status, or in the presence of any sensory, mental or physical handicap.

13. Notices.

Any notice required under this Agreement will be in writing, addressed to the appropriate party at the address which appears below (as modified in writing from time to time by such party), and given personally, by registered or certified mail, return receipt requested, by facsimile or by a nationally recognized overnight courier service. All notices shall be effective upon the date of receipt.

City of Shoreline
Debbie Tarry
17500 Midvale Avenue N
Shoreline, WA 98133-4905
(206) 801-2700

Mountlake Terrace
Chad Schulhauser
PO Box 72
Mountlake Terrace, WA 98043
(425) 744-6293

14. Filing with Auditor and Interlocal Cooperation Act Compliance.

This Agreement shall be filed by each party with their respective County Auditor, or, alternatively, listed by subject on the party'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.

15. Governing Law and Venue.

This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. Venue of any suit between the parties arising out of this Agreement shall be Snohomish County Superior Court.

16. General Administration and Management.

Shoreline's contract manager shall be Phil Ramon.

17. No Third Party Beneficiary.

It is the intent of the Parties, and all Parties agree, that this Agreement shall not confer third party beneficiary status on any non-party.

18. No Joint Venture.

This Agreement does not create a partnership or joint venture, and in carrying out this Agreement, the Parties shall act in their individual capacities and not as agents, employees, or partner of one another.

19. Attorneys' Fees.

In the event either Party brings a lawsuit to enforce the terms of this Agreement, or arising from a breach of this Agreement, the prevailing Party shall be entitled to its costs and attorneys' fees for bringing or defending against the action.

20. Severability.

Any provision or part of the Agreement held to be void or unenforceable under any law or regulation shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon Shoreline and Mountlake Terrace, who agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

21. Entire Agreement.

This agreement contains the entire Agreement between the parties hereto and no other agreements, oral or otherwise, regarding the subject matter of this agreement, shall be deemed to exist or bind any of the parties hereto. Either party may request changes in the agreement. Proposed changes which are mutually agreed upon shall be incorporated by written amendment to this agreement.

This agreement is executed by:

CITY OF SHORELINE

MOUNTLAKE TERRACE

By: _____
Debbie Tarry, City Manager

By: _____

Date: _____

Date: _____

Approved as to form:

Approved as to form:

By: _____
Margaret King, Shoreline City Attorney

By: _____
City of Mountlake Terrace Attorney

Attachments: Exhibits A, B, W-9 (Request for Taxpayer Identification Number and Certification)

Exhibit A
Scope of Services and Limited Warranty

The scope of services includes vehicle repair, maintenance and upfitting services for the City of Shoreline by the City of Mountlake Terrace. Shoreline vehicles identified for repair, maintenance or upfitting service will be delivered to the City of Mountlake Terrace Maintenance Shop, 6204 215th ST SW, Mountlake Terrace, WA 98043.

1. **Rates, Charges, and Payment.** Mountlake Terrace shall charge and Shoreline shall pay Mountlake Terrace for the services rendered pursuant to this Agreement as follows:
 - A. Labor. Labor will be charged at the hourly rate in half hour increments as follows:
 - i. \$85.29/hour for calendar year 2016
 - ii. \$86.57/hour for calendar year 2017
 - B. Parts and Materials. Parts, materials and supplies used in connection with the services rendered pursuant to this Agreement shall be charged at Mountlake Terrace's invoice costs plus ten percent (10%).
 - C. Sales/Use Tax: Washington State Sale or Use Tax shall be applied as applicable.

MOUNTLAKE TERRACE Fleet Maintenance Shop Rate

| | 2016 | 2017 |
|----------------------|---------------------|---------------------|
| Labor charge: | \$85.29/Hour | \$86.57/Hour |

Parts and Materials Overhead: **Original invoice plus 10%**

2. **Priorities for Repair.** The repair, maintenance or upfitting services provided by Mountlake Terrace shall be performed to vehicles or equipment in substantially the order of priorities for repair as follows:
 - A. Mountlake Terrace emergency vehicle or critical vehicle repairs
 - B. Shoreline emergency vehicle or critical vehicle repairs
 - C. Other Mountlake Terrace vehicle repairs
 - D. Other Shoreline vehicle repairs

Mountlake Terrace will provide a good faith estimate of time to complete work upon a request for services under this contract.

3. **Limited Warranty.** Mountlake Terrace will repair or replace, at its option, any new part(s) installed and/or provide labor for service due to defects in part(s) or labor if notified within ninety (90) days from the date of the repair, maintenance or upfitting, or 3,000 miles after the date of repair, maintenance and/or upfitting, or at the expiration of the factory warranty pertaining to the respective part, whichever occurs first.

This warranty does not cover loss of time, use, inconvenience, normal wear, abuse, misuse, used parts or other matters not specified and there shall be no liability for consequential, incidental, or commercial damages.

Mountlake Terrace disclaims any implied warranty of merchantability and fitness for a particular purpose, and neither assumes nor authorizes any other person to assume for it any liability in connection with the repair and/or maintenance work.

No warranty, whether expressed or implied, extends beyond ninety (90) days from the date of repair, maintenance, or upfitting.

**CITY OF SHORELINE
BILLING VOUCHER**

17500 Midvale Ave N, Shoreline, WA 98133-4905 ♦ (206) 801-2700 ♦ Fax (206) 546-7870

Contract No. 8351Firm Name: City of Mountlake Terrace

Mailing Address: PO Box 72, Mountlake Terrace, WA 98043

Invoice No.: _____**Invoice Date:** _____**Amount of Invoice: \$**_____Contract Expiration Date: December 31, 2018

Current Invoice Period: _____

Description of services performed this period, attach a separate sheet if necessary (if applicable, submit a separate voucher for each program which is funded by your City of Shoreline contract):

BUDGET SUMMARY:

| | |
|--|--------------------|
| Total Contract Amount (including amendments) | <u>\$75,000.00</u> |
| Previously Billed | \$_____ |
| Current Invoice Request | \$_____ |
| Total Payments Requested to date | \$_____ |
| Contract Balance Remaining | \$_____ |

Payments will be processed within thirty (30) days from receipt of approved billing voucher.

Mountlake Terrace Signature*For Department Use Only*

Approved for Payment:

City of Shoreline_____
Date: