

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorizing the City Manager to Execute a Vehicle Maintenance, Repair and Upfitting Services Agreement with the City of Mountlake Terrace for an Annual Amount Not to Exceed \$150,000
DEPARTMENT:	Administrative Services Department
PRESENTED BY:	Sara Lane, Administrative Services Director Dan Johnson, Parks, Fleet & Facilities Manager
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 approval to authorize the City Manager to execute a Vehicle Maintenance, Repair and Upfitting Services Agreement with the City of Mountlake Terrace (MLT) for an annual amount not to exceed \$150,000. The current agreement with MLT was approved on November 23, 2015 and will expire on December 31, 2020. The new proposed agreement has been approved by the City of Mountlake Terrace City Council.

In accordance with Shoreline Municipal Code Section 2.60.070, this agreement requires City Council approval. The new agreement includes an initial term from January 1, 2021 to December 31, 2023. In addition, the agreement includes two additional one-year extensions that automatically renew unless terminated by either City.

RESOURCE/FINANCIAL IMPACT:

The 2021 Vehicle Operations Budget includes funding to pay MLT for the requested annual amount not to exceed \$150,000 for Vehicle Maintenance, Repair and Upfitting services. The following table provides a summary of historical MLT expenditures. While expenditures have varied from 2011 through 2016, they have steadily increased from 2017 through 2019. This reflects annual hourly rate adjustments and the growth of the City’s fleet. The shop hourly rates are proposed at \$100.62/Hour for 2021 and \$103.64/Hour for 2022. These rates are reasonable and within the market rate for the Seattle area.

Calendar Year	Expenditures
2011	\$48,745
2012	\$70,613
2013	\$40,559
2014	\$61,390
2015	\$45,512
2016	\$39,328
2017	\$74,524
2018	\$75,537
2019	\$125,178

RECOMMENDATION

Staff recommends that Council authorize the City Manager to execute the Vehicle Maintenance, Repair and Upfitting Services Agreement with the City of Mountlake Terrace for an annual amount not to exceed \$150,000.

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

BACKGROUND

The City of Shoreline began its partnership with the City of Mountlake Terrace (MLT) for vehicle maintenance and repair services in 2010. Since then, the service agreement was revised to also include upfitting services. The current agreement with MLT to provide these services was approved on November 23, 2015 and will expire on December 31, 2020.

The maintenance, repair and upfitting service provided by MLT for Shoreline vehicles and equipment has remained consistent even as the Shoreline fleet has grown with the addition of fleet vehicles and equipment from the Ronald Wastewater District and the Public Works Grounds Maintenance Division. The partnership between the two cities has provided benefits to the City of Shoreline, such as competitive hourly rates and fast turnaround services

DISCUSSION

Staff is requesting City Council approval to authorize the City Manager to execute a new Vehicle Maintenance, Repair and Upfitting Services Agreement with MLT for an annual amount not to exceed \$150,000. The new Agreement would begin January 1, 2021 and extend to December 31, 2023. The agreement would also include two additional one-year extensions for a total of five years. The two additional one-year extensions are subject to satisfactory performance.

All other terms and conditions of the Agreement remain the same from the City's current agreement with MLT, including a 10% markup charge for parts and materials. The new proposed agreement has been approved by the City of Mountlake Terrace City Council. The scope of services of this Agreement is attached to this staff report as Attachment A.

The proposed Agreement provides the following benefits to the City:

- Regular and comprehensive service inspections and repairs of the City's vehicles and equipment to ensure safe and efficient operation.
- Serve as a technical resource for knowledge and expertise in fleet maintenance vehicles, equipment and services.
- A work order system that describes work performed on a vehicle or equipment.
- Fast turnaround time when completing service repairs, maintenance, inspections and upfitting services.

In accordance with Shoreline Municipal Code Section 2.60.070, this Agreement requires City Council approval. Tonight, staff is seeking Council authorization for the City Manager to enter into the new Agreement with the City of Mountlake Terrace.

RESOURCE/FINANCIAL IMPACT

The 2021 Vehicle Operations Budget includes funding to pay MLT for the requested annual amount not to exceed \$150,000 for Vehicle Maintenance, Repair and Upfitting services. The following table provides a summary of historical MLT expenditures. While expenditures have varied from 2011 through 2016, they have steadily increased from 2017 through 2019. This reflects annual hourly rate adjustments and the growth of the City's fleet. The shop hourly rates are proposed at \$100.62/Hour for 2021 and

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Staff recommends that Council authorize the City Manager to execute the Vehicle Maintenance, Repair and Upfitting Services Agreement with the City of Mountlake Terrace for an annual amount not to exceed \$150,000.

ATTACHMENT

Attachment A – Scope of Services of Agreement for Vehicle Maintenance, Repair and Upfitting Services Between the Cities of Shoreline and Mountlake Terrace

Attachment A

Scope of Services

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. \$100.62/hour for calendar year 2021
 - ii. \$103.64/hour for calendar year 2022
 - 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

	2021	2022
Labor charge:	\$100.62/Hour	\$103.64/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:
 - 1) MOUNTLAKE TERRACE critical emergency vehicle or equipment repairs (which may include public works vehicles depending on the circumstances);
 - 2) CITY OF SHORELINE critical emergency vehicle repairs (which may include public works vehicles depending on the circumstances);
 - 3) CROSS VALLEY WATER DISTRICT critical emergency vehicle repairs (which may include public works vehicles depending on the circumstances);
 - 4) MOUNTLAKE TERRACE critical non-emergency vehicle or equipment repairs;
 - 5) CITY OF SHORELINE critical non-emergency vehicle or equipment repairs;
 - 6) CROSS VALLEY WATER DISTRICT critical non-emergency vehicle repairs;
 - 7) MOUNTLAKE TERRACE non-emergency vehicle or equipment repairs;
 - 8) CITY OF SHORELINE non-emergency vehicle or equipment repairs;
 - 9) CROSS VALLEY WATER DISTRICT non-emergency vehicle repairs.

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