

**Lee County Board Of County Commissioners  
Agenda Item Summary**

**Blue Sheet No. 20050732**

**1. ACTION REQUESTED/PURPOSE:** Approve Project # N-050496 to give Fleet Management and Purchasing the authority to negotiate with International Truck and Engine Corporation for a five year contract to purchase medium and heavy duty International trucks and equipment at a cost which will meet or beat Florida State Contract pricing. Estimated expenditure: Approximately \$3 million dollars annually – total expenditure over the life of the contract: approximately \$15 million.

**2. WHAT ACTION ACCOMPLISHES:** This contract will allow the County to standardize its medium and heavy-duty line of trucks with International; thus saving thousands of dollars by dealing directly with the manufacturer. Further, the contract will save valuable staff time in processing orders; and will provide a purchasing mechanism for vehicles not covered by the State Contract (or in the event of the expiration of the Contract).

**3. MANAGEMENT RECOMMENDATION:** Approve as stated.

<b>4. Departmental Category:</b> <u>A6a</u>		<b>5. Meeting Date:</b> <u>6-14-05</u>	
<b>6. Agenda:</b>		<b>7. Requirement/Purpose: (specify)</b>	
<input type="checkbox"/> Consent		<input type="checkbox"/> Statute	
<input checked="" type="checkbox"/> Administrative		<input type="checkbox"/> Ordinance	
<input type="checkbox"/> Appeals		<input checked="" type="checkbox"/> Admin. Code <u>AC-4-1</u>	
<input type="checkbox"/> Public		<input type="checkbox"/> Other	
<input type="checkbox"/> Walk-On			
		<b>8. Request Initiated:</b>	
		Commissioner _____	
		Department _____	
		Division <u>Fleet Management</u>	
		By: <u>Marilyn Rawlings, Fleet Mgr.</u>	

**9. Background:** Past history has proven to Fleet that standardizing equipment saves time and money when it comes to the acquisition of equipment; as well as mechanic and operator training; stocking of parts; etc. Several years ago, Fleet standardized on Ford cars and light trucks through Sam Galloway Ford. This arrangement has saved taxpayers tens of thousands of dollars annually in acquisition and training costs, along with staff time.

Operators in various County departments will be trained in the safe operation of International trucks and equipment so that in the event of a county-wide disaster, operators from every department would be ready to use another department's equipment without the delays caused by re-training.

Brand standardization also allows Fleet technicians to become experts in the repair of one brand of equipment; and limit the purchase of expensive, specialty tools and software that only work on certain brands of trucks. Also, standardization will enable Fleet to stock fewer lines of repair parts in its inventory.

--BACKGROUND CONTINUED ON PAGE TWO--

**10. Review for Scheduling:**

Department Director	Purchasing or Contracts	Human Resources	Other	County Attorney	Budget Services				County Manager/P.W. Director
					Analyst	Risk	Grants	Mgr.	
	<i>[Handwritten]</i>	<u>N/A</u>		<i>[Handwritten]</i>	<i>[Handwritten]</i>	<i>[Handwritten]</i>	<i>[Handwritten]</i>	<i>[Handwritten]</i>	<i>[Handwritten]</i>

**11. Commission Action:**

Approved  
 Deferred  
 Denied  
 Other

<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td>Rec. by CoAtty</td></tr> <tr><td>Date: <u>5/20/05</u></td></tr> <tr><td>Time: <u>11:00</u></td></tr> <tr><td>Forwarded To: _____</td></tr> </table>	Rec. by CoAtty	Date: <u>5/20/05</u>	Time: <u>11:00</u>	Forwarded To: _____	<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td>RECEIVED BY COUNTY ADMIN: <i>[Signature]</i></td></tr> <tr><td><u>5-27-05</u></td></tr> <tr><td><u>10:15</u></td></tr> <tr><td>COUNTY ADMIN FORWARDED TO: <i>[Signature]</i></td></tr> <tr><td><u>6/2/05</u></td></tr> <tr><td><u>4pm</u></td></tr> </table>	RECEIVED BY COUNTY ADMIN: <i>[Signature]</i>	<u>5-27-05</u>	<u>10:15</u>	COUNTY ADMIN FORWARDED TO: <i>[Signature]</i>	<u>6/2/05</u>	<u>4pm</u>
Rec. by CoAtty											
Date: <u>5/20/05</u>											
Time: <u>11:00</u>											
Forwarded To: _____											
RECEIVED BY COUNTY ADMIN: <i>[Signature]</i>											
<u>5-27-05</u>											
<u>10:15</u>											
COUNTY ADMIN FORWARDED TO: <i>[Signature]</i>											
<u>6/2/05</u>											
<u>4pm</u>											

--BACKGROUND CONTINUED FROM PAGE ONE--

A letter from Wallace International – the local International dealership – in support of this multi-year, factory-direct contract is attached (please see Attachment #3). It should be noted that all of the new trucks and equipment will continue to be processed through Wallace for the prep work and delivery. Wallace will also provide all of the warranty work and repair parts.

Funds are available: JB5191059401.506430 (as well as other departmental capital accounts not covered by the vehicle replacement fund)

Please see attachments

- (1) Department Request for Negotiation Authority
- (2) Memo from Fleet in Support of the Negotiation Methodology
- (3) Letter from Wallace International in Support of the Negotiation Methodology



## DIVISION OF FLEET MANAGEMENT

**To:** Janet Sheehan, Purchasing Director  
**From:** Marilyn L. Rawlings, Fleet Manager *MR*  
**Date:** 5/16/2005  
**Re:** Multi-Year Contract with International

---

Please prepare a Blue Sheet for Fleet Management to obtain board approval to negotiate a multi-year contract with International.

**ACTION REQUESTED / PURPOSE:**

Authorize Fleet Management and Purchasing to negotiate with International Truck and Engine Corporation for a five (5) year contract to purchase International trucks and equipment at pricing which meets or exceeds State Contract pricing. Estimated expenditures are \$3 million annually for a total estimated contract of \$15 million.

**WHY ACTION IS NECESSARY:**

Board approval is required, as this expenditure will exceed \$50,000.

**WHAT ACTION ACCOMPLISHES:**

This contract will allow Lee County to standardize its medium and heavy-duty line of trucks with International and save taxpayers thousands of dollars by dealing directly with the manufacturer. This contract will also save valuable staff time in processing orders and will provide a purchasing mechanism for vehicles not covered by the State Contract or in the event of the expiration of the State Contract.

**MANAGEMENT RECOMMENDATIONS:**

Approve this multi-year contract and allow Fleet Management to standardize with International trucks. Funds for this purchase are available from account string #JB5191059401.506430 and various other departmental capital accounts not covered by the vehicle replacement fund.

**BACKGROUND:**

Past history has shown us that standardizing equipment saves time and money when it comes to acquisition of the equipment, training for Mechanics and operators, stocking parts, etc. The County implemented a similar contract with Sam Galloway

Ford for the standardization of cars and light trucks that has saved taxpayers tens of thousands of dollars annually in acquisition costs, training costs and staff time.

Operators in various County departments will be trained in the safe operation of International trucks and equipment so that in the event of a countywide disaster, operators from every department would be ready to use another department's equipment without the delays caused by re-training.

Brand standardization also allows Fleet Management technicians to become experts in the repair of one brand of equipment and limit the purchase of expensive, specialty tools and software that only work on certain brands of trucks. Standardization will also allow Fleet Management to stock fewer lines of repair parts in our inventory.

A letter from our local International dealership (Wallace) in support of this multi-year, factory-direct contract is attached. All the new trucks and equipment will continue to be processed through Wallace International for the prep work and delivery. Wallace International will also provide all the warranty work and repair parts.

# Memo

**To:** Bill Hammond, Deputy County Manager  
**From:** Marilyn L. Rawlings, Fleet Manager *MLR*  
**CC:** Janet Sheehan, Purchasing Director  
Danny Brashear, Fleet Operations Manager  
**Date:** 3/24/2005  
**Re:** Long Term International Contract

---

Over the past few years, Lee County Fleet Management has had many successes, from obtaining our non-generating hazardous waste status with EPA to being named the number one fleet in North America. While many of these accomplishments have brought us significant recognition from outside the area, I feel one of our most important accomplishments has been to standardize and centralize the procurement of our Fleet of vehicles and equipment. Fleet Management staff and the Purchasing staff have worked together to assure the best value to the County. By implementing this plan, we have saved money in the areas of mechanic training and parts and have been able to negotiate better prices with established vendors because of volume spending. Because of the approval from the Board of County Commissioners for this process, we have reduced significantly the time to get equipment on site for special projects such as the expansion of the Utilities Department and the acquisition of the City of Palms/Red Sox stadium.

Over the past few years, Fleet Management has worked toward standardization of our medium and heavy-duty trucks with International Truck and Engine Corporation. Whenever possible, we have purchased these vehicles off the State Contract at the competitively bid pricing established by the State of Florida. Recently, we have run into some problems as International has only obtained portions of the State Contract award. As a result, we have had to proceed with the lengthy process of writing specifications, waiting for vendors to respond, evaluating those responses, taking the contract to the Board and then waiting 3 - 6 months for the vehicle to be delivered from an out of town vendor. Often the total time for the purchase of one truck utilizing this process is close to 12 months.

In an effort to expedite the process of obtaining the trucks we need and still ensure value pricing for the County, I have been in contact with International Headquarters to discuss the feasibility of a multi-year contract with International headquarters similar to the one we currently have with Sam Galloway Ford. We have had numerous conference calls and face-to-face meetings to work out the details. These meetings have included representatives from Purchasing, the County Attorney's office, International Truck and Engine and Fleet Management.

Presently, we are at a point where we would negotiate pricing that would be guaranteed to meet or exceed any vehicle pricing offered on the Florida State Contract for International trucks and to allow us to buy any International trucks not currently on State Contract at a pre-negotiated price. This contract would not be put out to formal bid as we are negotiating directly with the manufacturer. We are proposing a five-year, negotiated contract with an annual dollar value cap. We are estimating the annual expenditure cap to be about \$1.5 - \$2.0 million with a total contract value of \$8.0 million.

If approved, this contract would allow Lee County to:

1. Significantly reduce the turn around time for acquiring both new and replacement International trucks as part of the Lee County Fleet;
2. Reduce the number of Blue Sheets presented to the Board each year;
3. Guarantee Lee County with the best pricing on International vehicles as the contract is factory direct and would be guaranteed to meet or exceed State Contract pricing;
4. Still honor the local vendor by allowing the trucks to be delivered through Lee County's dealer, Wallace International. Wallace would also provide warranty repairs and parts for these vehicles.

This negotiation is currently on-hold pending direction from County Administration. If approved, we will finalize pricing and discounts and then work with the Purchasing staff to prepare a Blue Sheet for Board approval.

If you have any questions, I would be glad to meet with you to discuss this matter further.



**WALLACE INTERNATIONAL TRUCKS, INC.**

2761 East Edison Ave. • Fort Myers, Florida 33916  
239-334-1000 • 1-800-741-3459 • Fax 239-334-8712

May 3, 2005

Ms. Marilyn L. Rawlings  
Fleet Manager  
Lee County Fleet Management  
2955 Van Buren Street  
Fort Myers, FL 33916

Dear Marilyn:

Scott Benjamin of International Truck and Engine Corporation has sent me an e-mail subsequent to your conversation with him asking that I communicate with you regarding the position of Wallace International relative to the long term purchasing agreement that you have been negotiating with International.

Wallace is trying very hard to improve our level of performance every day. The goal we have for measuring our improvement is the satisfaction our customers enjoy and the ease with which we make doing business meaningful. We try to achieve customer satisfaction with each customer we serve every time we are asked to be of service. Not every day goes exactly as planned and sometimes we do upset customers. We are the first contact with the problems a customer may experience. We are as good as the training we are offered and the technical advice and direction we receive from International. We are better today and will continue to improve, but it is only with a commitment to our customers that we are driven to achieve performance levels never before thought of at this dealership.

Wallace supports International and Lee County Fleet Management in reaching a definitive agreement that allows all the entities involved to achieve the goals they each set out to accomplish. LCFM will have the best trucks available that will be purchased through the International National Accounts group. You will get professionalism and timely response from Bill Parham and his team.

International will be receiving orders based on a pre-negotiated pricing level that will provide them with continued manufacturing business and provide LCFM with a true value in the trucks they purchase and employ.

Wallace gets to service the largest fleet customer in our Area of Responsibility and agrees to process trucks and paperwork on a timely basis. We will strive to provide you with Up-Time performance, not just promises. We would appreciate the opportunity to become more involved with your parts purchases and we need to prove to you that by

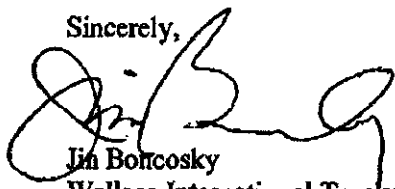


utilizing Fleet Charge and Diamond Connection we can provide you with the tools you need to help manage your fleet while buying parts at competitive prices and receive additional benefits through higher quality parts and warranty programs. Wallace has over one million dollars of parts inventory. We can increase this figure if needed to better serve you.

Please do not hesitate to contact me directly with any concerns or problems you may have. If you have a complaint—let me know.

Have faith, you're buying the best trucks from the best organization to be serviced by the best parts and service provider in southwest Florida. How can you do any better than that?

Sincerely,



Jim Borcosky  
Wallace International Trucks, Inc.

[jim.b@wallaceintltrucks.com](mailto:jim.b@wallaceintltrucks.com)