

Lee County Board Of County Commissioners
Agenda Item Summary

Blue Sheet No. 20130455

1. ACTION REQUESTED/PURPOSE:

(A) Approve an increase in annual expenditures from \$100,000 to \$200,000 under Informal Quotation IT120458 regarding the Annual Purchase of Ford Service and Repair on a County-wide basis from the awarded (local) vendor, Sam Galloway Ford, at the prices listed on the attached Lee County Tabulation Sheet. The initial term of this quote is one year (originally awarded 8/27/2012).

(B) Grant the Procurement Director the authority to renew the quote on an annual basis for the remaining four additional one-year periods, at the same terms and conditions (e.g., price, quality of service, etc.) if in the best interest of Lee County.

(C) Grant the Procurement Director the discretion to exercise the price escalator clause per the bid specifications on an as-needed-basis.

(D) Approve an estimated annual expenditure for Ford service and repair of \$200,000.

(E) Approve an annual increase in the annual expenditure amount of not –to-exceed 10% per year for the term of the quote to allow for possible cost increases.

2. FUNDING SOURCE:

For Solid Waste: Solid Waste System-Ops – Disposal Facilities – Vehicle Maintenance; For Transit: Ind. Div., Fixed Route, Transit Operating Fund, Vehicle Maintenance; For Fleet: Fleet Management, Rolling & Motorized Equipment, Vehicle Maintenance. (All have been budgeted for in the individual Department's Operating Budgets for FY-13.)

3. WHAT ACTION ACCOMPLISHES:

This action will allow Fleet Management, Lee Tran, and Solid Waste to obtain service and repair of various Ford vehicles in their fleets on an as needed basis in a cost effective, efficient, and timely manner. It also acts as a waiver from the formal quotation process applicable to annual expenditures over \$100,000, to allow the existing Informal Quotation to remain in place for the balance of the previously approved quote term.

4. MANAGEMENT RECOMMENDATION: Approve.

5. Departmental Category: C7A

6. Meeting Date: 6/4/2013

7. Agenda:

Consent

8. Requirement/Purpose: *(specify)*

- ☐ Statute
☐ Ordinance
☒ Admin Code AC-4-1
☐ Other

9. Request Initiated

Commissioner:

Department: PROCUREMENT
MANAGEMENT

Division: No Divisions

By: Robert Franceschini

10. Background:

On August 20, 2012, the Division of Procurement Management received competitive quotations for the annual purchase of Ford Service and Repair for Fleet Management. It was awarded to Sam Galloway Ford, a local vendor with a central location in Lee County that minimizes the time and associated costs to get the vehicles in for needed repairs.

At the time the quote was requested, it was believed that the annual expenditures for these services would be less than \$100,000; therefore it was processed through the informal process. As of March 13, 2013 expenditures have

11. Required Review:

<i>Robert Franceschini</i>	<i>Robert Franceschini</i>	<i>Dawn Perry-Lehnert</i>	<i>Anne Henkel</i>	<i>David Harris</i>	<i>Christine Brady</i>
PROCUREMENT MANAGEMENT	Purchasing	County Attorney	Budget Analyst	Budget Services	County Manager

12. Commission Action:

exceeded \$70,000 for FY 2013, and at the current rate the annual expenditures will surpass the formal level of \$100,000; requiring BOCC approval. This accelerated rate of spending since the quote was put in place may be attributed to several factors including:

Aging of the fleet. Several years ago, the decision was made to make the Ford brand the de facto standard for cars and light trucks in Lee County in order to take advantage of the inherent benefits of standardization. Consequently, there are currently approximately 800 Ford vehicles in the BoCC fleet (Transit – 33 vehicles, Solid Waste – 28 vehicles; Fleet Management – 739 vehicles); and, an additional 80 vehicles from the constitutional officers. Since the County is keeping its vehicles much longer, there is a natural and true assumption that more money will be spent on repairs. Further, the repairs Ford is performing are no longer simple, minor jobs. Because the vehicles are being kept significantly longer, we are now replacing transmissions, repairing emission systems and doing engine overhauls. Therefore, it is not uncommon to spend \$8000 – \$12,000 for a single repair with Ford where in the past \$1200 was a considered a large bill. For example, Fleet Management recently had two vehicles that had to have engines replaced with a total bill of close to \$20,000.

Workload. In an effort to contain County personnel costs while keeping service levels acceptable and crews working, it has become necessary to send work to Ford to keep the work flow moving. It is not uncommon for Fleet Management to have 50 vehicles waiting to be worked on by the five mechanics available to do the work.

Complexity. The engines used by the Original Equipment Manufacturer (OEM) continue to increase in complexity and the diagnostic tools required are expensive. It has become difficult to keep up with the necessary training and tools required to diagnose and resolve these technical issues. Therefore, some repairs have to be sent to Ford that would have previously been performed in house.

Funds are available:

Solid Waste: OB5340840100.504620.243

Transit: KI5440148600.504635

Fleet Management: JB5191059400.504620

Attachments:

(1) Tabulation Sheet

(2) Sam Galloway Ford Quote