



Legislation Text

File #: 2023-282, Version: 1

Proposed Amendment No. 1
Contract No. 1802170
Fleet Management Services
O&M

Agenda of: August 23, 2023

Item No.: **2023-282**

Amount:	Original Contract	\$9,232,500.00
	Proposed Amendment No. 1	4,200,000.00
	Total Revised Contract	\$13,432,500.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey, P. E.
Chief Executive Officer
Great Lakes Water Authority

DATE: July 28, 2023

RE: **Proposed Amendment No. 1**
Contract No. 1802710
Fleet Management Services
Vendor: Enterprise Fleet Management

MOTION

Upon recommendation of Cheryl Porter, Chief Operating Officer - Water and Field Services, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **enter into Contract No. 1802710, Proposed Amendment No. 1, "Fleet Management Services" with Enterprise Fleet Management, with an increased cost of \$4,200,000.00 for a total cost not to exceed \$13,432,500.00 and no increase in duration for a total duration of five (5) years;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

GLWA has a fleet of approximately 375 vehicles. Of the 375 vehicles, approximately 360 are in continuous operation. Currently, GLWA's fleet is maintained under the Enterprise Fleet Management (EFM) contract.

JUSTIFICATION

There is a funding shortfall for this contract caused by several items that were unforeseen during the first funding request, including:

1. **Fleet Size:** The total vehicle count has now been verified and all vehicles have been located and evaluated. The needs assessment of the teams has resulted in a corrected fleet size from 290 to 375. Of which 360 vehicles are in continuous operation versus the original 260 count.
2. **Vehicle Upfit Expense:** The original budget provided for this contract was based on vehicle purchase cost and did not factor in upfit expenses for specialty equipment required to adapt a production vehicle to meet the unique requirements of our business.
3. **Accident Repairs:** Accident claims are handled through the Enterprise contract. When a GLWA vehicle has an accident, the repairs are completed, and the costs are added to the monthly EFM invoice.
4. **Unplanned/Specialty Builds:** Operations has established a need for some specialty builds to ensure GLWA can provide the necessary services to our member communities. HAZMAT response vehicles, gate closer trucks, dump trucks are a few examples of vehicles that this budget has supported in both vehicle acquisition and the specialty upfit. These types of purchases were not called out when the initial budget was established.

PROJECT MANAGEMENT STATUS

Original Contract Time	5 years (10/08/2019 - 10/08/2024)	
Proposed Amendment No. 1	0 years	
New Contract Time	5 years	(10/08/2019 - 10/08/2024)

PROJECT ESTIMATE

Original Contract Price	\$9,232,500.00
Proposed Amendment No. 1	4,200,000.00
New Contract Total	\$13,432,500.00

FINANCIAL PLAN IMPACT

The proposed contract with Enterprise Fleet Management encompasses Operations & Maintenance (O&M) and Improvement & Extension (I&E) expenses. The FY 2024 Budget and five-year plan was based on the previous contract period. The value of this contract is within the current financial plan in total. The financial plan will be adjusted accordingly during the FY 2025 budget preparation to align with the proposed amount.

Funding Source: Operations & Maintenance (O&M - Water 5910)

Improvement & Extension (I&E Water 5506 & Sewer 5404)

Cost Center(s): Fleet OperationsCentralized Services cost center 882422

Expense Types: Contractual Services (617900), Inspection & Permit Fees (628501), Capital Outlay over \$5k (901100).

Estimated Cost by Year and Related Forecasted Variance: See table below.

Fiscal Year	Amount
FY 2020 Budget (Prorated)	\$ 880,000.00
FY 2021 Budget	2,540,000.00
FY 2022 Budget	2,600,000.00
FY 2023 Budget	3,300,000.00
FY 2024 Budget	3,350,000.00
FY 2025 Financial Plan (Prorated)	<u>1,400,000.00</u>
Financial Plan Forecast	\$14,070,000.00
Proposed Contract Amount	<u>\$13,432,500.00</u>
Variance (positive/ (negative))	(\$637,500.00)

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on August 9, 2023. The Operations and Resources Committee recommended by a 2/1 vote that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.