



# City of Norman, OK

Municipal Building Council  
Chambers  
201 West Gray Street  
Norman, OK 73069

## Text File

File Number: K-1213-167

**Agenda Date:** 3/12/2013

**Version:** 2

**Status:** Consent Item

**In Control:** City Council

**File Type:** Contract

### Title

CONTRACT NO. K-1213-167: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND MERCURY ASSOCIATES, INC., IN THE AMOUNT OF \$53,580 TO PROVIDE FLEET MANAGEMENT SERVICE ANALYSIS FOR THE CITY OF NORMAN AND BUDGET APPROPRIATION.

### Body

**BACKGROUND:** The City of Norman owns and operates a fleet of 855 vehicles and equipment with an annual operating cost of \$5 million. The average age of the fleet is 9.9 years. Fewer than 30 vehicles are being replaced each year.

After conducting an internal management audit in FYE 2012 of the Fleet Management Division of Public Works, the Management Team recommended a full review of the City's current fleet management operation. The City desires a modern fleet management operation that provides superior customer service, the most competitive pricing possible, and utilization of best management practices and techniques. Some of the current concerns include:

- Excessive age of the fleet
- Fleet Maintenance staff shortages
- Increasing operating costs
- Diminished vehicle replacement program
- Rising fuel costs
- Effective fleet utilization

On January 11, 2013, proposals were opened on Request for Proposal No. 1213-61 for Fleet Management Analysis Services. A Request for Proposal was sent to multiple fleet management consulting firms and there were three responses:

Chatham Consulting, Inc., Chatham, N.J.  
Fleet Consulting Services, Inc., Mesa, AZ  
Mercury Associates, Inc., Overland Park, Kansas.

The chosen consulting firm is expected to evaluate all aspects of the City's fleet operation and assess its overall effectiveness. They will also be responsible for identifying where "Best Fleet Practices" are being used, and offer suggestions on achieving better results.

A Selection Committee was formed to review the three (3) proposals. The committee was comprised of Shawn O'Leary, Director of Public Works; Mike White, Fleet Superintendent; Matt Phillips, Fleet Supervisor; Leon Fourcade, Fleet Services Administrator for the University of Oklahoma; and Joe Lytle, Fleet Supervisor for Oklahoma Natural Gas. The Selection Committee met on January 18, 2013, to rank proposals. The Selection Committee recommended in-person interviews of all three firms. Interviews were conducted by the Selection Committee on January 28, 2013, including Chatham Consulting, Inc., Chatham, N.J.; Fleet Consulting Services, Inc., Mesa, AZ; and Mercury Associates, Inc., Overland Park, Kansas. The committee unanimously selected Mercury Associates, Inc. as the most qualified firm for this project.

Mercury Associates, Inc. has submitted the following scope of work with a fee of \$53,580:

1. Initiate and manage the project.

2. Collect and analyze fleet cost and performance data - scrutinizing the condition, utilization, cost, and other performance attributes of both the vehicles and equipment in the fleet and the practices that the organization uses to manage and maintain them.
3. Evaluate fleet management practices.
4. Review vehicle and equipment specifications.
5. Conduct life cycle analysis assessing the appropriateness of the intervals at which the City replaces various types of both vehicles and equipment in the fleet.
6. Develop Project Report and Recommendations

After receiving all requested materials and data, Mercury Associates, Inc. has estimated a completion time of sixteen weeks from the Notice to Proceed, or approximately July 15, 2013. Staff anticipates using the findings of this analysis in the preparation of the FYE 2015 Budget as well as other operational changes in 2013 and 2014.

**RECOMMENDATION No. 1:** It is recommended that City Council approve Contract No. K-1213-167 with Mercury Associates, Inc. in the amount of \$53,580.

**RECOMMENDATION No. 2:** It is recommended that an appropriation be made of \$53,580 from the City Manager's Special Services Excess (Account No. 010-1010-413.42-98) to the City Manager Special Studies Consultant (Account No. 010-1093-413.40-01). This is Project No. TC0022.