



City of Norman, OK

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

Master

File Number: K-1213-167 Amd #1

File ID: K-1213-167 Amd #1

Type: Contract

Status: Consent Item

Version: 1

Reference: Item No. 16

In Control: City Council

Department: Public Works
Department

Cost: \$30,780.00

File Created: 11/12/2013

File Name: Amendment to Contract for Fleet Analysis

Final Action:

Title: AMENDMENT NO. ONE TO CONTRACT NO. K-1213-167: BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND MERCURY ASSOCIATES, INC., IN THE AMOUNT OF \$30,780 TO CONDUCT A FLEET RIGHT-SIZING STUDY AND BUDGET APPROPRIATION.

Notes: ACTION NEEDED: Motion to approve or reject Amendment No. One to Contract No. K-1213-167 with Mercury Associates, Inc., in the amount of \$30,780, and, if approved, authorize the execution thereof and appropriate \$39,000 from the General Fund Balance (010-0000-253.2000) to Professional Services/Consultant-Mgmt/Research (010-5070-435.40-01).

ACTION TAKEN: _____

Agenda Date: 01/28/2014

Agenda Number: 16

Attachments: Contract No K-1213-167-Amdment No 1-Mercury
Signed.pdf, PR Mercury.pdf

Project Manager: Mike White, Fleet Superintendent

Entered by: julie.shelton@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File K-1213-167 Amd #1

Body

BACKGROUND: On March 12, 2013, City Council approved Fleet Management Analysis Services Contract No. K-1213-167 with Mercury Associates, Inc. of Gaithersburg, Maryland for the evaluation of all aspects of the City's fleet operation, overall effectiveness and identifying where "Best Fleet Practices" are being used.

On October 16, 2013, Mercury Associates, Inc. presented its findings of the Fleet Management Analysis to the Council Finance Committee. On January 15, 2014, the Finance Committee recommended that the Amendment with Mercury in the amount of \$30,780 be forwarded to City Council for their approval.

DISCUSSION: Mercury Associates, Inc. found areas where the Fleet Management Division excels and follows best management practices such as having many competent staff members, knowledgeable and dedicated to

the management and maintenance of the fleet along with vehicle and equipment maintenance practices that are solid. In addition, Mercury Associates Inc. found areas of potential improvement, efficiency gains, and potential cost savings to the City of Norman.

Mercury's report also identified 216 vehicles/equipment that are below the average utilization of 6,000 miles or 500 hours of use annually. The report also recommended a formal Right-Sizing Study be conducted to determine what opportunities the City has to reduce the size of the fleet. Mercury's report shows that if 10% or 22 vehicles can be eliminated from the fleet, this will provide \$3.2 million in replacement cost avoidance.

Amendment No. One to Contract No. K-1213-167 allows Mercury to review fleet utilization with an eye on rightsizing the fleet. In addition, Mercury will assist staff in developing formal policies and procedures that will establish how fleet utilization should be managed in the future. Mercury will also assist the City with starting a Motor Pool by evaluating which of the vehicles when not needed, sit idle and can be utilized more efficiently. This is a more cost effective transportation solution, overall, than departments having multiple, permanently assigned vehicles or reimbursing drivers for using their personal vehicles.

RECOMMENDATION 1: It is recommended that City Council approve Amendment No. One to Contract No. K-1213-167 with Mercury Associates, Inc. in the amount of \$30,780.

RECOMMENDATION 2: It is recommended that \$30,780 be appropriated from the General Fund Balance (010-0000-253.20-00) to Fleet Management Analysis (010-5070-435.40-01).