



MEMORANDUM

TO: Mayor Laurel Lunt Prussing and Members of the City Council
FROM: William R. Gray
N. Patrick Pioletti
DATE: October 4, 2007
RE: Intergovernmental Agreement – Consolidated Fleet Study

Introduction

The City Council has previously endorsed the concept of studying a maintenance facility jointly with the City of Champaign. Since that time, an opportunity for both cities to join with the University of Illinois in such an endeavor has arisen.

Background

Money for the study was appropriated and the selection process for a consultant was undertaken. Before much progress, our internal committee was approached by the University of Illinois Fleet Maintenance staff with the idea of conducting fleet maintenance operations out of the University's facility. The committee embraced that idea and spent the next several months working selecting a consultant, determining an acceptable scope of work and securing such via contract, and working out the details of the attached intergovernmental agreement with the City of Champaign.

The process will be to evaluate the fleet maintenance operation of all three agencies and establish baselines for comparison purposes, then look to the physical plant itself and evaluate its adequacy to address the needs of everyone involved.

Fiscal Impact

The City's share of the study is not to exceed \$24,000. The current balance available in the budget for the study is sufficient to complete the proposed work, so no budget amendment is necessary at this time. It is important to note however that should the result of the study be to not proceed jointly with the University, additional money will have to be appropriated to complete the original proposal to study joint operations with Champaign.

Recommendation

It is recommended to enter into this intergovernmental agreement for consultant services with the City of Champaign for purposes of completing this study.

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ORDINANCE NO. 2007-10-116

AN ORDINANCE APPROVING THE
INTERGOVERNMENTAL AGREEMENT FOR THE
CONSOLIDATED FLEET MAINTENANCE FACILITY FEASIBILITY STUDY

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF
URBANA, ILLINOIS, as follows:

Section 1. That the Intergovernmental Agreement for
the Consolidated Fleet Maintenance Facility Feasibility Study,
in substantially the form of the copy of said Agreement attached
hereto, be and the same is hereby approved.

Section 2. That the Mayor of the City of Urbana,
Illinois, be and the same is hereby authorized to execute and
deliver and the City Clerk of the City of Urbana, Illinois, be
and the same is authorized to attest to said execution of said
Assignment and Estoppel Certificate a so authorized and approved
for and on behalf of the City of Urbana, Illinois.

PASSED by the City Council this _____ day of
_____, 2007.

AYES:

NAYES:

ABSTAINS:

Phyllis Clark, City Clerk

APPROVED by the Mayor this _____ day of _____,
2007.

Laurel Lunt Prussing, Mayor

Scope of Work – Fleet Consultant Services

Task 1: Submit Information Request

We will initiate the project by developing and submitting a detailed checklist specifying the types of *documentary material* (e.g., organization charts, policy and procedure statements, etc.) and *quantitative data* (e.g., fleet inventory detail, preventive maintenance (PM) compliance rate, maintenance and repair turn-around time, sublet costs, etc.) we would like to review in evaluating fleet management practices and costs. Other information required will include existing floor plans for the three fleet facilities (scaled drawings preferred, fire escape/evacuation renderings are acceptable). This request will serve as an initial guideline to follow in assembling information for our review. In order to keep project costs to a minimum, we require that information be provided to us in the format requested (i.e., Microsoft Excel or Word). This will minimize the effort required to perform non-analytical tasks such as entering data into spreadsheets. We have provided a sample Request for Information and Fleet Inventory Spreadsheet Template in the Appendix. If information is not readily available we will work with the organizations to determine if there is an approach to gathering the information that would not require considerable time or effort. We will also be required to make general assumptions regarding the accuracy and validity of the data and information provided.

We will schedule our initial project kickoff meeting once the information has been compiled and provided to our project team.

Task 2: Review Current Fleet Maintenance Operations

In order to gain an understanding of the three fleet organizations (Cities of Champaign and Urbana and the University of Illinois), we will conduct a high level review of each organization.

We will meet with key fleet representatives to develop an understanding of the *Strategies* used by each organization to maintain and repair the fleet.

Through observation, discussion, and review of policies, practices, and procedures, we will then develop an understanding of the *Tactics* (specific actions, sequences of actions, and schedules used to fulfill strategies) used by each organization to accomplish the objectives.

By high level review, we intend to perform the following:

- calculate the total number of Vehicle Equivalency Units (VEUs) in each fleet;
- calculate the average age of the fleets;
- evaluate the appropriateness of technician staffing levels;
- review PM compliance rates;
- review fleet downtime statistics;
- review maintenance and repair turn-around times;
- calculate mechanic productivity; and
- review current outsourcing practices.

Data availability permitting, we will compare these and other measures of performance to industry standard benchmarks.

We will focus our efforts on identifying the fleet maintenance and repair activities that are currently performed in-house by the Cities of Champaign and Urbana or performed by commercial vendors and determine if opportunities exist to outsource the functions to the University of Illinois Garage and Car Pool.

EXHIBIT A

We will identify those elements of maintenance that can/could be transferred to the University. Together with the City/University officials, we will select the option(s) that provides the greatest benefits to each organization and discuss the associated impact on each fleet organization.

Task 3: Review Fleet Maintenance Facilities

We will conduct a high level review of all three vehicle and equipment maintenance facilities.

Specifically, we will review the University of Illinois facilities to determine opportunities for and capabilities to accept additional missions. We will identify any additional facilities space (i.e., additional maintenance bays) or major capital equipment requirements (i.e., vehicle lifts) for the University fleet shop to accommodate the additional maintenance and repair functions that may be transferred from the cities.

Findings and conclusions will be provided in the form of discussion (i.e. brief summary-level narrative and/or bullet points) as opposed to drawings/diagrams.

Projections of costs for facilities improvements and/or additional equipment requirements will be provided in a broad range based on our experience with other fleet clients throughout the country.

Task 4: Develop Outsourcing Relationship Structure

Based on the results of the above tasks, we will recommend a relationship structure that will yield the highest level of cooperation and understanding between the Cities of Champaign and Urbana and the University at a very high level. Considerations may include creation of a joint Fleet Advisory Committee that would include representatives from the three organizations and development of Service Level Agreements (SLA) that identify expected levels of service and performance. If it is determined that SLA are appropriate, we will provide a sample SLA that could be used as a template to develop individual agreements for specific tasks.

We will identify areas where cost savings are probable through outsourcing fleet maintenance and repair operations¹.

Task 5: Present Findings and Recommendations in a Project Report

We will provide a brief project report to include our findings, conclusions and recommendations as they relate to:

- The availability and delivery of fleet information
- A review of current fleet operations
- A review of fleet maintenance facilities, and
- Outsourcing relationship structure

Information will be presented in a concise manner using bullet points, tables, graphs, etc. and will be sufficient to address the scope of work identified in this proposal. General narrative will be kept to a minimum.

We do not propose to give a formal oral presentation of our findings, conclusions and recommendations.

We will provide the report electronically in PDF format.

¹ Quantifying cost savings is beyond the scope of this project. We would be willing to develop additional tasks to address this area if required. However, this level of detail was eliminated from this revised scope of work to meet budgetary constraints.

**INTERGOVERNMENTAL AGREEMENT FOR THE
CONSOLIDATED FLEET MAINTENANCE FACILITY FEASIBILITY STUDY**

This Intergovernmental Agreement, made and entered into this ____ day of _____, 2007, by and between the City of Champaign, Illinois, a municipal corporation (“Champaign”) and the City of Urbana, Illinois, a municipal corporation (“Urbana”).

WITNESSTH:

Whereas, Section 10 of Article VII of the Constitution of the State of Illinois, 1970, provides authority for local governments to contract or otherwise associate among themselves to obtain and share services and to exercise, combined or transfer any power or function in any manner not prohibited by law or ordinance; and

Whereas, the Intergovernmental Cooperation Act (5ILCS 220/1-220/9) also provides that any one or more public agencies may contract with any one or more other public agency to perform any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform provided that such contract shall be authorized by the governing body of each party to the contract; and

Whereas, Champaign and Urbana have determined it is in their mutual interest to enter into an Intergovernmental Agreement to study the feasibility of a consolidated fleet maintenance facility.

Now, therefore, in consideration of the mutual promises and covenants contained herein, Champaign and Urbana hereby agree as follows:

Section 1. Agreement with Fleet Facility Consultant. The parties agree to engage the services of a fleet facility consultant, to determine the feasibility of consolidating the respective

fleet facilities in one facility and organization, substantially as described in Exhibit A, Scope of Services.

Section 2. Contracting Agency. The parties agree that the City of Champaign shall act as the contracting agent for the parties for purposes of entering into the consulting agreement with the fleet facility consultant.

Section 3. Payment. The parties agree that the total fee for said consulting services shall not exceed \$60,000.00. The contract amount of \$60,000 shall be divided among the parties based on fleet size as follows:

Champaign	- \$36,000	(60%)
Urbana	- \$24,000	(40%)

Section 4. Committee. The parties agree to the formation of a Committee made up of the Public Works Director, Facility Manager and Fleet Manager for the Cities of Champaign and Urbana, or their designee. The purpose of this Committee shall be to provide technical guidance to the consultants in developing the Study.

Section 5. Information Collection. The parties agree to reasonably cooperate to provide such information as is available and/or needed to complete the study.

Section 6. Terms. This Agreement shall be effective as of the date of its execution by the last of the parties to approve it and shall remain, and continue in full force and effect for two (2) years, or until the successful completion of the Contract as provided in Section 1, whichever is shorter.

Section 7. Complete Agreement. This Agreement constitutes the entire agreement, and there are no oral understandings other than as set forth herein.

Section 8. Severability. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part hereof.

IN WITNESS WHEREOF, the City of Champaign and the City of Urbana have caused this Agreement to be executed and delivered as of the date first set forth above and in the cover page hereof.

CITY OF CHAMPAIGN, ILLINOIS

CITY OF URBANA, ILLINOIS

By: _____

By: _____

Date: _____

Date: _____

Attest: _____
City Clerk

Attest: _____
City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

City Attorney

City Attorney

Draft