



# Monterey County

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## Board Report

Legistar File Number: A 18-184

June 12, 2018

**Introduced:** 5/15/2018

**Version:** 1

**Current Status:** Consent Agenda

**Matter Type:** BoS Agreement

- a. Ratify the execution by the Contracts/Purchasing Officer of the Hosting Addendum to the Agreement A-12600 with Faster Asset Solutions for Turn-Key Fleet Management Operations System and Continuing Web Hosting Services and maintenance, which: changed the term of the agreement to run from September 23, 2013 through September 23, 2018; altered the scope of the agreement to include additional computer hosting services; and, added monthly charges which totaled approximately \$175,000 over the term of the agreement, and;
- b. Ratify the execution by the Contracts/Purchasing Officer's designee of Amendment No. 1 to the Agreement with Faster Asset Solutions for Turn-Key Fleet Management Operations System and Continuing Web Hosting Services and maintenance, which raised the total not to exceed for the term of the Agreement to \$416,000, and;
- c. Authorize the Contracts/Purchasing Officer or Contracts/Purchasing Supervisor to execute Amendment No. 2 to the Agreement with FASTER Asset Solutions for Turn-Key Fleet Management Operations System and continuing Web Hosting Services and maintenance, for the period from September 23, 2013 to May 31, 2023, adding limited additional services, and adding \$509,000 for a revised total agreement not to exceed of \$925,000, which will fund the ratification in item (a), above, and the extended term of Amendment No. 2.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Ratify the execution by the Contracts/Purchasing Officer of the HOSTING ADDENDUM to the AGREEMENT [A-12600] with FASTER Asset Solutions for Turn-Key Fleet Management Operations System and Continuing Web Hosting Services and maintenance, which: changed the term of the agreement to run from September 23, 2013 through September 23, 2018; altered the scope of the agreement to include additional computer hosting services; and, added monthly charges which totaled approximately \$175,000 over the term of the agreement, and;
- b. Ratify the execution by the Contracts/Purchasing Officer's designee of AMENDMENT No. 1 to the AGREEMENT with FASTER Asset Solutions for Turn-Key Fleet Management Operations System and Continuing Web Hosting Services and maintenance, which raised the total not to exceed for the term of the AGREEMENT to \$416,000, and;
- c. Authorize the Contracts/Purchasing Officer or Contracts/Purchasing Supervisor to execute Amendment No. 2 to the Agreement with FASTER Asset Solutions for Turn-Key Fleet Management Operations System and continuing Web Hosting Services and maintenance, for the period from September 23, 2013 to May 31, 2023, adding limited additional services, and adding \$509,000 for a revised total agreement not to exceed of \$925,000, which will fund the ratification in item (a), above, and the extended term of Amendment No. 2.

### SUMMARY/DISCUSSION:

The County issued a Request for Proposal (RFP#10417) in 2013 to solicit proposals from qualified vendors capable of providing the County Fleet Operations with a Turn-Key Fleet Management System to replace the previous outdated system, which was operating on an unsupported platform due to its age.

The urgency in the replacement of the previous Fleet Management system was to ensure the consistency and continuity of fleet's ability to maintain the service records for approximately 1,500 vehicles, ranging from small equipment to full size trucks and heavy equipment, such as dozers and graders.

The County and FASTER Asset Solutions entered the original AGREEMENT effective November 5, 2013, and with a term of November 5, 2013 through November 5, 2018. The AGREEMENT contained a total not to exceed amount of \$260,000. It appears the parties intended the total not to exceed amount to be \$360,000, though that is not reflected in the body of the AGREEMENT.

At the time the AGREEMENT was entered into, the Monterey County Board of Supervisors authorized the Contracts/Purchasing Officer to execute the AGREEMENT in an amount not to exceed \$360,000, and to execute future AMENDMENTS to the AGREEMENT where the AMENDMENTS do not significantly change the scope of work or cause an increase in the AGREEMENT annual rates of more than fifteen percent (15%), hereinafter the BOARD ORDER.

The parties discovered that certain services, which were intended to be covered in the original AGREEMENT, were not in fact sufficiently provided for in the AGREEMENT. The parties then entered into a new document on January 6, 2014, hereinafter the HOSTING ADDENDUM. The HOSTING ADDENDUM is on the County's standard contract template, and does not explicitly supersede the original AGREEMENT. However, it was always the intent of the parties that this document be construed as an amendment entirely superseding the original AGREEMENT, and the parties have both performed consistent with that understanding. The now-pending Amendment No. 2 memorializes that understanding.

The HOSTING ADDENDUM, an amendment to the original AGREEMENT, changed the effective date and term of the AGREEMENT to run September 23, 2013 through September 23, 2018, and contained an unchanged total not to exceed amount of \$260,000. However, the exhibits to the HOSTING ADDENDUM did contain additional responsibilities for CONTRACTOR (the *hosting services*) and additional charges relating to those services. Specifically, this HOSTING ADDENDUM added a one-time cost of \$3,274 and an ongoing monthly charge of \$2,889 (which was to increase 3% per year). These additional charges, over the remaining term of the contract totaled approximately \$175,000. As a result, this HOSTING ADDENDUM exceeded the authority granted in the BOARD ORDER, and resulted in inconsistency between the exhibits and the body of the HOSTING ADDENDUM.

On November 2, 2015, the parties entered into AMENDMENT #1. This amendment purported to correct a discrepancy between the HOSTING ADDENDUM's body and its exhibits, in the amount of \$26,130. AMENDMENT #1 also purported to add 15% to the total not to exceed amount of the AGREEMENT. AMENDMENT #1 purported to raise the total not to exceed amount to \$416,000. This represents a mathematical error (it is a 15.56% increase over the intended *not to exceed* of \$360,000) and a substantive error (the actual *not to exceed* being stated as \$260,000 which renders this a much larger percentage increase). The parties intended for this AMENDMENT #1 to exercise

the authority granted in the BOARD ORDER, though that authority had already been exceeded by way of the HOSTING ADDENDUM. The funds available under the present AGREEMENT were exhausted in approximately mid-2017 and County has no further authority to increase the *not to exceed* under the BOARD ORDER.

CONTRACTOR wishes to continue providing services during the term of the AGREEMENT and County wishes to continue receiving and paying for such services. The parties also wish to extend the present AGREEMENT for a term with an expiration date of May 31, 2023. Additionally, the parties wish to add CONTRACTOR'S VIN DECODER SUPPORT in the amount of \$7,963.70 as listed in Exhibit C to Amendment No. 2, to allow users to scan VINs using a barcode scanner or to key in VIN to access an asset already in FASTER database system.

The parties have determined that to: (i) rectify the inconsistencies between the body of the current AGREEMENT (the HOSTING ADDENDUM) and its exhibits; (ii) fund the presently contracted for services through the term of the AGREEMENT; (iii) fund the newly added VIN services; and, (iv) fund this AMENDMENT #2 through the extended term ending May 31, 2023, the present *not to exceed* amount of \$416,000 will need to increase by \$509,000 for a total new *not to exceed* of \$925,000.

OTHER AGENCY INVOLVEMENT:

County Counsel, Fleet Management and the County Administrative Office have all reviewed and provided input into the development of the required AMENDMENT #2 and Board Report.

FINANCING:

The cost for Amendment No. 2 is \$509,000 which was included in the Fiscal Year 2017-18 adopted budget. Costs for FY 17/18 specifically are expected to total \$67,823.38. Amounts for remaining years of the agreement will be included in those budgets as appropriate. There is no impact to the General Fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

These actions will help ensure the timely provision of necessary services to all County Departments.

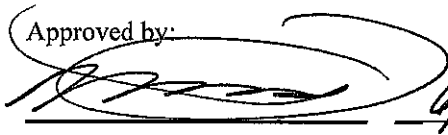
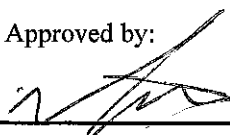
Mark a check to the related board of Supervisors Strategic Initiatives

☐ Economic Development  
☒ Administration  
☐ Health & Human Services  
☒ Infrastructure  
☐ Public Safety

Prepared by:

Armi Mabul  
Management Analyst II

6/6/2018  
Date

Approved by:		Approved by:	
	<u>6/6/18</u>		<u>6/6/18</u>
	Date		Date
Michael R. Derr		Dewayne Woods	
Contracts/Purchasing Officer		Assistant CAO	

- Attachments:
1. Amendment #2 to Agreement
  2. Amendment #1 to Agreement Board of Supervisors
  3. Board Order
  4. FASTER Agreement with Hosting Addendum