

term beginning July 1, 2014, through and including July 1, 2015, with an yearly aggregate value estimated not to exceed \$8,500;

c. Authorize the Contracts/Purchasing Officer to execute future yearly Amendments to the Agreement where the Amendments do not significantly change the terms of the Agreement or cause an increase in the Agreement annual rates of more than ten percent (10%); and

d. Authorize the Auditor/Controller to make license payments of \$600 per month, effective date of move-in, which is anticipated to be around July 1, 2014, in accordance with the terms of the Agreement.

SUMMARY/DISCUSSION:

Beginning in early May 2013 the Contracts/Purchasing Officer for the County initiated discussions with the City of Monterey, Deputy City Manager (Hans Uslar) on the possibility of utilizing a Mechanical Bay (Vehicle Repair Space) within the City's Ryan Ranch corporation yard, Fleet Facility. The original intent of this joint venture was to bring attention to the need for a more regionalized process with regards to how as public agencies we approach the service needs of our internal and external customers in a financial sound manner.

The utilization and approval of this License Agreement would allow County Fleet Management the opportunity to relocate a current operation within the County Toro Park Facility located off Highway 68, to a more suitable and accessible location for our customers located on the peninsula area within the cities of Monterey, Seaside and Marina. Access to the utilization of the Mechanical Bay within the City facility will allow both parties to begin building a responsive regional plan, moving both parties towards improved efficiencies within our respective organizations. It's projected that the relocation of the County Facility from Toro Park to the City of Monterey Ryan Ranch Facility will provide the County with an opportunity to realize the following efficiencies and potential reductions:

Currently the Toro Park facility is servicing an average of 85 vehicles per month. The following spreadsheet provides a sample of the current travel time and miles from customer locations located in Monterey, Seaside and Marina to the existing fleet facility located within the Toro Park location. As well as what the new travel time and miles would be from the customer locations to the new proposed Vehicle Maintenance Facility located within the City of Monterey's Ryan Ranch operation:

The projected savings of authorizing the relocation and regionalization is a one time savings cost of \$96,000 dollars by deferring the cost of replacing or repairing depleted equipment at the Toro Park Facility, and then an ongoing yearly cost savings of an estimated \$29,758 dollars through the reduction of labor expenses for vehicle transportation to and from the fleet repair facility, and the reduction in fuel costs through the reduction of miles traveled for vehicle repairs.

The Monterey City Council took action at their regularly scheduled Council meeting of December 17, 2013, and adopted the attached proposed License Agreement pursuant to Resolution 13-204 C.S., adopted by the Monterey City Council.

OTHER AGENCY INVOLVEMENT:

The offices of County Counsel, Risk Management and Auditor-Controller have reviewed and approved the license agreement as to form and legality, and fiscal provisions, respectively. Due to the late submission of this Board Report, the CAO Budget and Analysis Division was not provided adequate time to fully review for potential fiscal, organizational policy, or other implications to the County of Monterey.

FINANCING:

Payment for the License Agreement for the utilization of the Mechanical Bay is included in the FY 2014-15 Fleet Management operational budgets. License payments of \$600 per month will not be due until the County's move-in date anticipated to be July, 1, 2014.

Prepared by: Michael R. Derr, Contracts/Purchasing Officer, (831) 755-4992

Approved by:

Robert K. Murdoch, P.E., Director of Public Works

Benny J. Young, RMA Director

Dated: May 9, 2014

Attachments: Projected Cost Savings Spreadsheet; Relocation Worksheet; City of Monterey Proposed License Agreement; City of Monterey Adopted Resolution dated December 17, 2013; (Attachments on file with Clerk of the Board)