

THIS AGREEMENT is entered into on _____, 20__ between the City of Redmond, Washington, hereinafter called "the CITY", and the above person, firm or organization, hereinafter called "the CONSULTANT".

WHEREAS, the CITY desires to accomplish the above-referenced project; and

WHEREAS, the CITY does not have sufficient staff or expertise to meet the required commitment and therefore deems it advisable and desirable to engage the assistance of a CONSULTANT to provide the necessary services for the project; and

WHEREAS, the CONSULTANT has represented to the CITY that the CONSULTANT is in compliance with the professional registration statutes of the State of Washington, if applicable, and has signified a willingness to furnish consulting services to the CITY, now, therefore,

IN CONSIDERATION OF the terms and conditions set forth below, or attached and incorporated and made a part hereof, the parties agree as follows:

1. Retention of Consultant - Scope of Work. The CITY hereby retains the CONSULTANT to provide professional services as defined in this agreement and as necessary to accomplish the scope of work attached hereto as Exhibit A and incorporated herein by this reference as if set forth in full. The CONSULTANT shall furnish all services, labor and related equipment necessary to conduct and complete the work, except as specifically noted otherwise in this agreement.

2. Completion of Work. The CONSULTANT shall not begin any work under the terms of this agreement until authorized in writing by the CITY. The CONSULTANT shall complete all work required by this agreement according to the schedule attached as Exhibit B and incorporated herein by this reference as if set forth in full. A failure to complete the work according to the attached schedule, except where such failure is due to circumstances beyond the control of the CONSULTANT, shall be deemed a breach of this agreement. The established completion time shall not be extended because of any delays attributable to the CONSULTANT, but may be extended by the CITY, in the event of a delay attributable to the CITY, or because of unavoidable delays caused by circumstances beyond the control of the CONSULTANT. All such extensions shall be in writing and shall be executed by both parties.

3. Payment. The CONSULTANT shall be paid by the CITY for satisfactorily completed work and services satisfactorily rendered under this agreement as provided in Exhibit C, attached hereto and incorporated herein by this reference as if set forth in full. Such payment shall be full compensation for work performed or services rendered and for all labor, materials, supplies, equipment, and incidentals necessary to complete the work specified in the Scope of Work attached. The CONSULTANT shall be entitled to invoice

the CITY no more frequently than once per month during the course of the completion of work and services by the CONSULTANT. Invoices shall detail the work performed or services rendered, the time involved (if compensation is based on an hourly rate) and the amount to be paid. The CITY shall pay all such invoices within 30 days of submittal, unless the CITY gives notice that the invoice is in dispute. In no event shall the total of all invoices paid exceed the maximum amount payable set forth above, if any, and the CONSULTANT agrees to perform all services contemplated by this agreement for no more than said maximum amount.

4. **Changes in Work.** The CONSULTANT shall make such changes and revisions in the complete work provided by this agreement as may be necessary to correct errors made by the CONSULTANT and appearing therein when required to do so by the CITY. The CONSULTANT shall make such corrective changes and revisions without additional compensation from the CITY. Should the CITY find it desirable for its own purposes to have previously satisfactorily completed work or parts thereof changed or revised, the CONSULTANT shall make such revisions as directed by the CITY. This work shall be considered as Extra Work and will be paid for as provided in Section 5.

5. **Extra Work.**

A. The CITY may, at any time, by written order, make changes within the general scope of the agreement in the services to be performed. If any such change causes an increase or decrease in the estimated cost of, or the time required for, performance of any part of the work or services under this agreement, whether or not changed by the order, or otherwise affects any other terms or conditions of the agreement, the CITY shall make an equitable adjustment in the (1) maximum amount payable; (2) delivery or completion schedule or both; and (3) other affected terms, and shall modify the agreement accordingly.

B. The CONSULTANT must submit any "proposal for adjustment" under this clause within 30 days from the date of receipt of the written order to make changes. However, if the CITY decides that the facts justify it, the CITY may receive and act upon a proposal submitted before final payment of the agreement.

C. Failure to agree to any adjustment shall be a dispute under the Disputes clause of this agreement, as provided in Section 13. Notwithstanding any such dispute, the CONSULTANT shall proceed with the agreement as changed.

D. Notwithstanding any other provision in this section, the maximum amount payable for this agreement shall not be increased or considered to be increased except by specific written amendment of this agreement.

6. **Ownership of Work Product.** Any and all documents, drawings, reports, and other work product produced by the CONSULTANT under this agreement shall become the property of the CITY upon payment of the CONSULTANT'S fees and charges therefore. The CITY shall have the complete right to use and re-use such work product in any manner deemed appropriate by the CITY, provided, that use on any project other than that for which the work product is prepared shall be at the CITY'S risk unless such use is agreed to by the CONSULTANT.

7. **Independent Contractor.** The CONSULTANT is an independent contractor for the performance of services under this agreement. The CITY shall not be liable for, nor obligated to pay to the CONSULTANT, or any employee of the CONSULTANT, sick leave, vacation pay, overtime or any other benefit applicable to employees of the CITY, nor to pay or deduct any social security, income tax, or other tax from the payments made to the CONSULTANT which may arise as an incident of the CONSULTANT performing services for the CITY. The CITY shall not be obligated to pay industrial insurance for the services rendered by the CONSULTANT.

8. **Indemnity.** The CONSULTANT agrees to hold harmless, indemnify and defend the CITY, its officers, agents, and employees, from and against any and all claims, losses, or liability, for injuries, sickness or death of persons, including employees of the CONSULTANT, or damage to property, arising out of any willful misconduct or negligent act, error, or omission of the CONSULTANT, its officers, agents, subconsultants or employees, in connection with the services required by this agreement, provided, however, that:

A. The CONSULTANT's obligations to indemnify, defend and hold harmless shall not extend to injuries, sickness, death or damage caused by or resulting from the sole willful misconduct or sole negligence of the CITY, its officers, agents or employees; and

B. The CONSULTANT's obligations to indemnify, defend and hold harmless for injuries, sickness, death or damage caused by or resulting from the concurrent negligence or willful misconduct of the CONSULTANT and the CITY, or of the CONSULTANT and a third party other than an officer, agent, subconsultant or employee of the CONSULTANT, shall apply only to the extent of the negligence or willful misconduct of the CONSULTANT.

9. **Insurance.** The CONSULTANT shall provide the following minimum insurance coverages:

A. Worker's compensation and employer's liability insurance as required by the State of Washington;

B. General public liability and property damage insurance in an amount not less than a combined single limit of two million dollars (\$2,000,000) for bodily injury, including death, and property damage per occurrence.

C. Professional liability insurance, if commercially available in CONSULTANT's field of expertise, in the amount of two million dollars (\$2,000,000) or more against claims arising out of work provided for in this agreement.

The amounts listed above are the minimum deemed necessary by the CITY to protect the CITY'S interests in this matter. The CITY has made no recommendation to the CONSULTANT as to the insurance necessary to protect the CONSULTANT'S interests and any decision by the CONSULTANT to carry or not carry insurance amounts in excess of the above is solely that of the CONSULTANT.

All insurance shall be obtained from an insurance company authorized to do business in the State of Washington. Excepting the professional liability insurance, the CITY will be named on all insurance as an additional insured. The CONSULTANT shall submit a certificate of insurance to the CITY evidencing the coverages specified above, together with an additional insured endorsement naming the CITY, within fifteen (15) days of the execution of this agreement. The additional insured endorsement shall provide that to the extent of the CONSULTANT's negligence, the CONSULTANT's insurance shall be primary and non-contributing as to the City, and any other insurance maintained by the CITY shall be excess and not contributing insurance with respect to the CONSULTANT's insurance. The certificates of insurance shall cover the work specified in or performed under this agreement. No cancellation, reduction or modification of the foregoing policies shall be effective without thirty (30) days prior written notice to the CITY.

10. Records. The CONSULTANT shall keep all records related to this agreement for a period of three years following completion of the work for which the CONSULTANT is retained. The CONSULTANT shall permit any authorized representative of the CITY, and any person authorized by the CITY for audit purposes, to inspect such records at all reasonable times during regular business hours of the CONSULTANT. Upon request, the CONSULTANT will provide the CITY with reproducible copies of any such records. The copies will be provided without cost if required to substantiate any billing of the CONSULTANT, but the CONSULTANT may charge the CITY for copies requested for any other purpose.

11. Notices. All notices required to be given by either party to the other under this Agreement shall be in writing and shall be given in person or by mail to the addresses set forth in the box for the same appearing at the outset of this Agreement. Notice by mail shall be deemed given as of the date the same is deposited in the United States mail, postage prepaid, addressed as provided in this paragraph.

12. **Project Administrator.** The Project Administrator shall be responsible for coordinating the work of the CONSULTANT, for providing any necessary information for and direction of the CONSULTANT's work in order to ensure that it meets the requirements of this Agreement, and for reviewing, monitoring and approving the quality and quantity of such work. The CONSULTANT shall report to and take any necessary direction from the Project Administrator.

13. **Disputes.** Any dispute concerning questions of fact in connection with the work not disposed of by agreement between the CONSULTANT and the CITY shall be referred for resolution to a mutually acceptable mediator. The parties shall each be responsible for one-half of the mediator's fees and costs.

14. **Termination.** The CITY reserves the right to terminate this agreement at any time upon ten (10) days written notice to the CONSULTANT. Any such notice shall be given to the address specified above. In the event that this agreement is terminated by the City other than for fault on the part of the CONSULTANT, a final payment shall be made to the CONSULTANT for all services performed. No payment shall be made for any work completed after ten (10) days following receipt by the CONSULTANT of the notice to terminate. In the event that services of the CONSULTANT are terminated by the CITY for fault on part of the CONSULTANT, the amount to be paid shall be determined by the CITY with consideration given to the actual cost incurred by the CONSULTANT in performing the work to the date of termination, the amount of work originally required which would satisfactorily complete it to date of termination, whether that work is in a form or type which is usable to the CITY at the time of termination, the cost of the CITY of employing another firm to complete the work required, and the time which may be required to do so.

15. **Non-Discrimination.** The CONSULTANT agrees not to discriminate against any customer, employee or applicant for employment, subcontractor, supplier or materialman, because of race, creed, color, national origin, sex, religion, honorable discharged veteran or military status, familial status, sexual orientation, age, or the presence of any sensory, mental, or physical disability or the use of a trained dog or service animal by a person with a disability, except for a bona fide occupational qualification. The CONSULTANT understands that if it violates this provision, this Agreement may be terminated by the CITY and that the CONSULTANT may be barred from performing any services for the CITY now or in the future.

16. **Compliance and Governing Law.** The CONSULTANT shall at all times comply with all applicable federal, state, and local laws, rules, ordinances, and regulations. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

17. **Subcontracting or Assignment.** The CONSULTANT may not assign or subcontract any portion of the services to be provided under this agreement without the express written consent of the CITY. Any sub-consultants approved by the CITY at the outset of this agreement are named on separate Exhibit attached hereto and incorporated herein by this reference as if set forth in full.

18. **Non-Waiver.** Payment for any part of the work or services by the CITY shall not constitute a waiver by the CITY of any remedies of any type it may have against the CONSULTANT for any breach of the agreement by the CONSULTANT, or for failure of the CONSULTANT to perform work required of it under the agreement by the CITY. Waiver of any right or entitlement under this agreement by the CITY shall not constitute waiver of any other right or entitlement.

19. **Litigation.** In the event that either party deems it necessary to institute legal action or proceedings to enforce any right or obligation under this agreement, the parties agree that such actions shall be initiated in the Superior Court of the State of Washington, in and for King County. The parties agree that all questions shall be resolved by application of Washington law and that parties to such actions shall have the right of appeal from such decisions of the Superior Court in accordance with the law of the State of Washington. The CONSULTANT hereby consents to the personal jurisdiction of the Superior Court of the State of Washington, in and for King County. The prevailing party in any such litigation shall be entitled to recover its costs, including reasonable attorney's fees, in addition to any other award.

20. **Taxes.** The CONSULTANT will be solely responsible for the payment of any and all applicable taxes related to the services provided under this agreement and if such taxes are required to be passed through to the CITY by law, the same shall be duly itemized on any billings submitted to the CITY by the CONSULTANT.

21. **City Business License.** The CONSULTANT has obtained, or agrees to obtain, a business license from the CITY prior to commencing to perform any services under this agreement. The CONSULTANT will maintain the business license in good standing throughout the term of this Agreement.

22. **Entire Agreement.** This agreement represents the entire integrated agreement between the CITY and the CONSULTANT, superseding all prior negotiations, representations or agreements, written or oral. This agreement may be modified, amended, or added to, only by written instrument properly signed by both parties hereto. These standard terms and conditions set forth above supersede any conflicting terms and conditions on any attached and incorporate exhibit. Where conflicting language exists, the CITY'S terms and conditions shall govern.

**page 8 – Consulting Services Agreement, Non-Public Work
City of Redmond, standard form**

**IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the
day and year first above written.**

CONSULTANT:

CITY OF REDMOND:

By: _____
Title: _____

Angela Birney, Mayor
DATED: _____

ATTEST/AUTHENTICATED:

City Clerk, City of Redmond

APPROVED AS TO FORM:

Office of the City Attorney

Appendix: Work Plan

This section of our proposal includes an overview of our approach and work plan.

1. Project Approach

We believe that several aspects of our study approach should be mentioned and stressed.

(1) Project Management

One critical success factor in conducting any project in an efficient, timely, and effective manner is project management. Aspects of project management include:

- **Process.** Our approach ensures that disruption to the day-to-day operations of the organization is minimized, and later tasks build upon the results of earlier ones so that backtracking and redundant work effort (and unnecessary costs) are avoided. We will have a dedicated, experienced project manager, provide bi-weekly updates, and meet bi-weekly at a designated time.
- **Timelines.** We will meet all deadlines. No excuses or exceptions will be offered from our perspective. Items outside of our control (availability of data and key personnel) will be discussed with the client as soon as they endanger the timeline.
- **Change Management.** A change management process will be used to address any amendments to deliverables or timeline. Changes will only be made following formal documentation and approval of the client.
- **Communications.** We will have open communications and will provide cell phone numbers for immediate access to our project team. We will use a mix of email and virtual and live meetings to ensure all parties are synchronized.

(2) Information Gathering

We collect information through a combination of three methods.

- We will provide a checklist of the information we need to do this review. It will contain items such as a fleet inventory, strategic plans, policies, budget data, etc.
- We collect further information during interviews with management, staff, and stakeholders.
- Finally, we will conduct a site visit to develop our understanding of the facilities and resources available to the fleet.

Each of these methods play an important role in their respective stage of the study.

(3) Quality Control

A key differentiator of our approach is quality control. We use interim deliverables to ensure accuracy and solicit feedback from our clients so there are no surprises in the final report. Also, every deliverable is reviewed by a Principal of the firm to ensure a standardized approach and high level of analysis and professional presentation.

2. Task Plan

The RFP is divided into two components. We are offering a detailed task plan for both of these components.

Component A

Task 1 | Create a Current Fleet Profile

The project team will build a detailed current inventory including fleet size, composition, age, condition, life expectancy and replacement schedules and analyze all applicable fleet data by department, year, make, model, weight class, mileage, maintenance and fuel type and costs. We will also analyze the decentralized fleet governance approach, capital and operating budgets, policies, and use of technology. This task allows us to learn about the unique characteristics, programs, and services supported by the fleet and includes:

- **Request for Information (RFI).** We will provide the city with a comprehensive RFI that details the data we will require to conduct the project. We will provide a structured data collection template to ensure all required information is collected and to identify any items that are not readily available. We will concentrate on the last three complete fiscal years of cost and utilization data. Many of the organizations we work with do not have all requested data readily available. We will work with you to decide when to use industry averages where the information is not available. An example of a RFI for a recent project appears below.

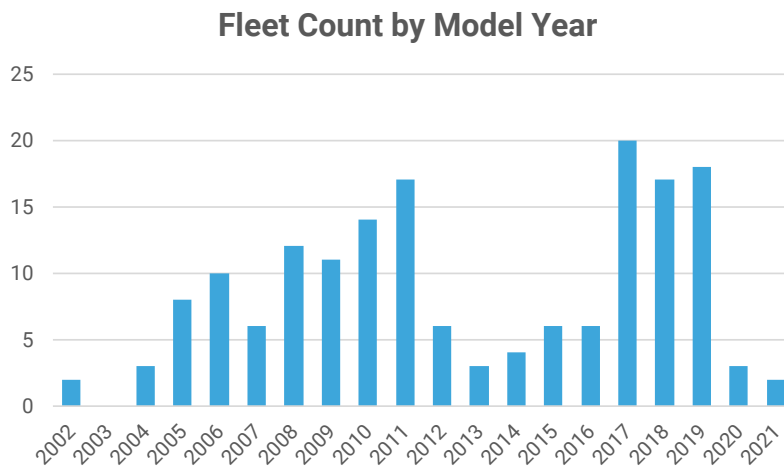
Request for Information (RFI)	
Section	General Information Description
Governance	
G-1	Organization's Strategic Plan
G-2	Asset Management Policies and Plans
G-3	Fleet policies and plans (maintenance, fuel, safety, etc.)
Organization	
O-1	Organizational Chart for the entire organization
O-2	List of departmental fleet reps with names, positions, location and contact information
Fleet Lifecycle and Replacement	
R-1	Fleet Asset Inventory Listing (see other tabs for format and instructions)
R-2	Fleet Lifecycle policies (acquisition, remarketing, in-service utilization of assets)

Request for Information (RFI)	
Section	General Information Description
R-3	Fleet Lifecycle parameters by unit class (miles/hours, trips or other metrics used)
Utilization	
U-1	Established criteria to justify permanent unit assignment
U-2	Policy on alternatives to ownership allowed/considered
U-3	Format for regular utilization reviews
Budget	
B-1	Fleet capital budget and expenditures by department (current and last 2 FY)
B-2	Fleet operating budget (fuel and maintenance) and expenditures by department
Information Management	
I-1	Contract and description of the FIMS in use (models used if applicable)
I-2	List of users/super-users on FIMS by module
I-3	Description of responsibility and accountability for fleet information
Maintenance	
M-1	List of facilities used for maintenance
M-2	PM schedules
M-3	Metrics on PM compliance and overdue
Sustainability	
S-1	Location, fuel type and capacity of all conventional fuel sites used
S-2	Current EV charging infrastructure
S-3	Costs of fuel-by-fuel source

- **Kick-off.** We will conduct a project kick-off meeting to review study objectives, approach, the work plan, interim deliverables, and schedule.
- **Initial interviews.** Once the project initiation meeting has been completed, we will conduct initial interviews with fleet program stakeholders to enhance our understanding of conditions on the ground. Interviews can be onsite or virtual, depending on client preference and current COVID regulations.
- **Consolidated inventory.** Through data provided and initial interviews, we will establish the fleet inventory that will be the basis for future study. The inventory will contain unit and VIN numbers, make, model, year, purchase date, current odometer, anticipated mileage and Department as well as capital and operating costs. Where there are gaps in the data, we will discuss workarounds with the city that may involve using industry benchmarks or estimates based on agreed-upon assumptions. A sample graph generated from a consolidated inventory by vehicle type and average mileage can be seen below:

Equipment Class	Count	Avg. Mileage
Sedan	5	27,283
SUV	32	40,528
Van	13	67,746
Pick-up	55	55,636
Truck MD	42	48,983
Truck Dump	13	45,351
Truck Service	8	18,126
Heavy Equipment	1	47,020
TOTAL	169	47,696

We will use diagrams and graphs to illustrate important information such as annual fleet units purchased in the example below:



- Project management and reporting framework.** From project kick-off, a framework will be in place to ensure overall management of all aspects of the review. We will collaborate with the city to select a regular time for project update meetings and will provide a summary of progress and challenges.

A draft profile will be submitted to allow the city to edit or add to the information collected. The final version of the fleet profile will be the baseline upon which all future deliverables are built.

TASK RESULT

Current fleet profile report with a consolidated inventory, and sections on organization, responsibilities, budget, policies and technology.

Task 2 | Compare City Practices with Industry Best Practices

In this task, the project team will analyze the extent to which current fleet operations and practices at the city meet industry best practices. As requested in the RFP, we will examine the following areas:

Governance. We will examine the overall governance of the fleet organization which includes the degree of centralizations, structure, policies and commitment to customer service.

Staffing. We will assess the adequacy and effectiveness of maintenance staffing using an established industry methodology, Vehicle Equivalency Unit (VEU) Analysis. A VEU represents a relative repair factor that enables comparisons between different types of vehicles and different fleets. The baseline that is used is the passenger sedan which is assigned a VE of 1.0. All other types of vehicles and equipment are given a VE based on the relative level of effort to maintain them in comparison to a sedan. We will calculate the overall staffing needs of the City as well as breaking down the requirements for Public Works and Fire. In addition to the number of staff, we will review job descriptions, identify any gaps and use industry benchmarks to identify whether training needs are met.

Maintenance. We will examine all aspects of the maintenance program to include:

- Preventive Maintenance (PM) programs. We will evaluate the PM program in place and compare compliance to established industry benchmarks.
- Repair requests. We will calculate the amount of scheduled versus unscheduled repair work and compare that to established industry benchmarks. We will also evaluate the repair process from receipt of a repair request to completion and sign-off on the work order.
- Facilities and yard layout. We will visit the shop and yard where vehicles are stored and assess the condition/adequacy of current facilities, hazardous waste disposal, vehicle/shop security and the layout of the yard.
- Parts Support. We will research how parts are acquired, managed and allocated and compare inventory, contracting and warranty tracking to best practices.

Procurement. We will consider the use of cooperative arrangements and standing offers. We will evaluate the current capital budgeting practices for vehicle purchases, including accounting for price increases. We will also look at the procurement timeline in acquiring vehicles in a timely manner.

Disposal. We will examine remarketing strategies designed to maximize asset value. This involves remarketing assets as soon as they are replaced and ensuring proceeds are returned to the equipment replacement fund.

Motor Pool Management. Vehicle sharing is a best practice, and we will assess the extent to which the City maximizes the use of pooled vehicles while ensuring efficient booking, storage, and management of pooled assets.

Technology/FMIS and KPIs. Fleet Management is an increasingly data-driven activity and organizations must have tools in place to capture the data needed for important decisions. We will therefore examine the adequacy of tools currently in place for this purpose, the reporting of information and the tracking of Key Performance Indicators.

We offer the following extract from a best practice checklist as an indication of the format and methodology used. Each practice is assessed as meeting industry best practice, partially meeting the best practice, or not meeting it. Note that every area evaluated as ~ or X will be addressed in detail in the final report and recommendations made to bring it in line with the best practice and planning steps to achieve alignment.

Best Practice Criteria	Status	Comment
1. The City has a formal Preventative Maintenance program with compliance of 90% or more.	✓	All fleet users are proactive in ensuring PMs are completed on time.
2. The City outsources 10-15% of work in order for technicians to concentrate in areas they do best.	X	Almost no work is outsourced.
3. The facility is clean, well lit and organized.	~	Some work areas need attention and the floor needs painting.

TASK RESULT

Checklist that summarizes how the city aligns with best practices in the fleet functional areas described. Chapter in the final report on maintenance best practices, training and staffing, including the excel-based staffing calculator.

Task 3 | Complete a Gap Analysis from the Previous Fleet Study

From information found online, we note that there was a 2011 fleet review, and that Public Works updated the status of the recommendations in 2022. Significant progress has been made in the implementation of a Fleet Management Information System and a formal Preventive Maintenance program. It appears that a number of recommendations are only partially implemented or outstanding. These include:

- Creation of a Fleet Policy Manual.
- Update AssetWorks and implement for Fire
- Improve performance measurement and analysis
- Perform a fleet utilization review.
- Conduct a telematics pilot project.
- Centralize fleet organization and location.
- Develop a robust training program.
- Review cost allocation and fleet rates

As requested, we will conduct a gap analysis that will assess the extent to which each recommendation has been implemented, the impact on fleet operations, challenges or impediments to implementation and the time and resources required to put them in place.

TASK RESULT

Interim Report in the form of a Gap Analysis of the 2011 Fleet Review.

Task 4 | Analyze Facility Needs for Maintenance and Fuel

As the City is engaged in a master planning effort to identify needs and design a new Maintenance and Operations Center (MOC), including fleet maintenance facilities, this is an opportune time for a maintenance and fuel facilities audit. Our experienced facility design and space planner will lead an assessment of facility needs. We will consider the current Fleet and Fire needs and options for centralization. We will also review the fuel facilities and assess the need for a cardlock capability and emergency fueling needs.

This task involves several steps. First, we will examine the general condition of the facility and the systems that support fleet maintenance operations. We will start with a facility walk-through and make initial observations in the following areas:

- Checklist**
- Shop Organization
 - Cleanliness
 - Lighting
 - Floors
 - Tools
 - Parts room
 - Workstations
 - Manuals
 - Lube dispensing
 - Lead Mechanic Office

Following this, we will conduct interviews with the fleet and maintenance staff and analyze the vehicle inventory and repair needs of the organization. This will enable us to create an in-depth understanding of the following specific areas:

- The adequacy of the facility overall to support fleet operations (size, ventilation).
- The number and configuration of bays (maintenance, welding, tire, quick fix and washing). Is warm storage available in the winter for vehicles and equipment?
- The availability of tools and equipment to promote efficient operations.
- The access to hazardous waste disposal.
- The size, location and access to a parts room.
- The layout of the yard/site with designated areas for vehicle drop off and pick up.
- The adequacy of information technology to guarantee efficiency in the facility.

Next, we will examine the current space allocation in the facility for each functional area. This space allocation will be compared to industry best practice to determine if space needs are met.

Finally, we will consider potential future needs in terms of space, tools and equipment. This includes the impacts to operations, costs, and carbon reduction goals.

TASK RESULT

A high-level facility conditions assessment with current and future space allocation tables.

Task 5 | Analyze the Process for Cost Recovery and Rate Setting

We will conduct a comprehensive review of policies and procedures to implement financial practices and services within the fleet service area that provide a sustainable long-term approach to charging for these services. The City has an internal process for allocating costs to its customers but desires to update the approach to ensure it adequately reflects industry standards and internal operational needs and allocates costs in a fair and objective manner. Our steps for this review are:

- **Identify current budget process, rates and service levels:** The project team will work with City staff to understand the budget process and services currently being provided as well as the current methodology for allocating the costs of those services.

- **Determine allocation metrics:** The project team will work with City staff to review existing metrics utilized such as number of vehicles and equipment, maintenance charges, work orders, labor hours, etc. and discuss options for allocation.
- **Develop rate recommendations:** Based on data collected, and after discussions with City staff, the project team will make recommendations regarding the allocation methodology to be utilized.
- **Policy and procedure development:** The project team will work with City staff to develop policies and procedures to allow for annual updates to the allocation methodology, as well as easily explain to customer departments the methodology for their rates.
- **Fleet Services Program funding:** This financial assessment will include overall evaluation of both the capital fund and the maintenance fund including all elements of those service areas including required annual funding (general fund and enterprise fund), personnel costs, overhead allocations, administrative services, materials and supplies, and all contracted services. The financial analysis will also provide recommendations regarding required reserves necessary to maintain fiscal health of the fund.

We will provide short/mid and long-term recommendations with an evaluation of how these recommendations align with the City's financial planning regulations. These recommendations will consider the current organization as well as centralization options.

TASK RESULT

Cost allocation chapter in the Final Report.

Task 6 | Evaluate Fleet Centralization Options

In many cases, fleet operations can benefit from centralizing the overall allocation of maintenance resources and maintenance systems while preserving operational priorities for repair. We will assess the options for centralization of the General City and Fire fleets and compare these to status quo. This option comparison will examine:

- Locations
- Unique Fire fleet requirements
- Leadership
- Staffing
- Job descriptions

- Training requirements
- Need for after-hours services

In each category we will discuss the advantages and disadvantages as well as the costs and savings of each option.

TASK RESULT

Centralization options analysis chapter in the Final Report

Task 7 | Develop the Component A Report

Upon the conclusion of the preceding tasks, we will prepare a detailed report which summarizes the results of each of the previous work tasks and clearly delineates the recommended changes and associated costs. This draft report will include a description of the study methodology and fleet profile.

The report will be structured as follows:

- Executive Summary
 - Primary findings
 - Primary recommendations
 - Summary of cost impacts
- Introduction
 - Project purpose and scope
 - Project methodologies
 - Fleet Profile
- Best Practices
 - Governance
 - Staffing
 - Maintenance
 - Procurement
 - Disposal
 - Motor Pool Management
- Gap Analysis
 - 2011 Fleet Recommendations Status
 - Barriers
 - Cost and Resources to Complete

- Facility Analysis
- Rate Analysis
- Centralization
- Appendices
 - Best Practice Checklist
 - Staffing Calculator

Once the draft report is complete, we will submit an electronic copy to the City Project Lead and work closely with them to clarify any questions. Once the report is checked for factual accuracy and comments returned to our project team, we will make the necessary edits and produce a final version. We will provide e-copies of the final report, and all attachments to the City Project Lead. We will also provide a presentation summarizing the results of Component A.

TASK RESULTS

Draft and Final (Component A) Reports in the format shown. A PowerPoint presentation summarizing the project.

Component B

On the completion of Component A tasks, we will have compiled a current fleet profile, best practice assessment, gap analysis, facility review, rate analysis and centralization option analysis. These tasks lead naturally into the Component B portion of the study.

Task 1 | Review Fleet Utilization

One of the 2011 fleet study recommendations was to conduct a utilization review. Fleet utilization does not just include a review of the use of owned assets. It involves the full range of mobility options used by an organization which may include leased vehicles, rentals, reimbursement programs and take-home assets. We will use the data from the fleet profile and the 2023 telematics pilot to undertake our review in the following steps:

- **Vehicle needs.** We will interview end users to understand where vehicles meet their needs, where vehicles need to be replaced with a different type, where vehicle are surplus to needs and where there are shortfalls.
- **Sharing opportunities.** We will recommend pooling or sharing of fleet vehicles to maximize efficiency and minimize costs. Pool management is essential to

maximize the use of pooled assets and we will make recommendations in the areas of pooled vehicle locations, types and reservation procedures.

- **Consider personal use and reimbursement programs.** We will evaluate current policies and use of take-home vehicles including their personal use. We will also consider business use of personal vehicles to ensure they contribute to the efficiency of the fleet utilization strategy.
- **Types of vehicles.** We will provide recommendations in the areas of vehicle types (including the potential for electric vehicles), retention and replacement criteria, and rightsizing to optimize efficiency and adapt to future demand and technological innovation.
- **Future fleet inventory.** We will develop a detailed inventory of the recommended vehicle fleet size and composition that will meet operational and future needs with costs and savings associated with the future model.

Regarding utilization, miles driven is not the only data point indicating the need for a vehicle. Some vehicles that are in use may not be accumulating many miles. For example, a pickup truck assigned to an electrician may function as a mobile toolbox and sit at a job site for extended periods. Vehicles with an emergency response mission may also have little to no use in a year but must be retained.

The U.S. federal government uses an approach to fleet rightsizing known as the Vehicle Allocation Methodology (VAM). With this approach, we ensure that the overall fleet is right-sized, and each vehicle is the right type. This additional information is gained through interviews. Experience has shown that interviews are a far better technique to gather this information than written surveys. The level of detail, accuracy and honesty of responses is much better in personal interviews. Questions covered include:

Representative Utilization Questions

What is the main job this vehicle performs?

Describe how this supports the organization's mission.

Does the vehicle need special equipment to accomplish the tasks?

What is the normal/maximum daily range of the vehicle?

How many people will be transported per trip on a regular basis?

How much and what type of cargo will the vehicle haul on a regular basis?

Is the vehicle shared with other employees or other departments?

Describe any emergency response requirements.

How many days per week and hours per day is this vehicle required?

Empirical data and interview results will be compiled and analyzed to determine the current use of the asset and its future disposition. We will record our interview results in

a workbook which will be provided to the city as a baseline for your conduct of utilization reviews in the future. From our analysis, we will recommendation one of the following outcomes for each vehicle in the fleet:

Retain	Keep current unit in service and replace according to a multi-year replacement plan based on optimum lifecycles.
Replace	Asset is overdue for replacement and should be replaced immediately.
Right-Type	The current asset is not the best or most economical for the job. It should be replaced with a different asset at the end of the current lifecycle.
Eliminate	Utilization does not justify retention of the asset. The asset should be sent to auction and not replaced.
Re-Examine Post-Covid	Review once normal operations resume.
Other	Other recommendations may include borrow, pool, rent or additional analysis.

We will also capture general utilization issues and concerns that come up during the interviews. These issues often include take-home vehicle, ‘shadow’ vehicles, trailer utilization, pool management and seasonal use.

In a municipal environment, vehicles are taken home for one of two reasons – it is a vehicle assigned as part of a benefits package, or the vehicle is assigned due to an on-call or emergency response requirement. There are established operational requirements for the latter when it does not make sense to return to the city yard to pick up a vehicle when responding to an emergency.

There is, however, the potential for abuse in this area if clear policies and controls are not in place. To evaluate the city’s take-home vehicle program, we will request a list of all take-home assignments. We will interview employees and supervisors regarding the justification for the assignment. In addition, we will review the policy to determine if the justification process is clear, personal use is minimized (or eliminated) and assignments are regularly reviewed.

A utilization review is not something that can be done once. It must be an annual activity if fleet size and type are to remain optimal. Therefore, this review will provide a baseline and methodology for future annual reviews. Overall, we will answer the questions of whether the current fleet configuration meets the operational needs for the City?

TASK RESULT

Written utilization report and excel workbook showing recommendations for right sizing and typing as well as the cost implications of implementing the recommendations.

Task 2 | Determine Candidates for Alternative Fuels

The right-fueling analysis will assess historical vehicle use patterns to identify opportunities to consider replacing conventionally fueled vehicles with electric vehicles (EV) or other alternative fueled vehicles (AFV). Specifically, this analysis will leverage the baseline vehicle characteristics collected in prior tasks (age, mileage, fuel use, drive cycles, fueling/charging locations, fuel efficiency, maintenance location, maintenance costs, garaging location, expected replacement year) to identify candidates for conversion. Other key characteristics such as safety and passenger requirements will be evaluated, depending on data. We will incorporate findings from past efforts to add EVs or other alternative fuel vehicles to the City fleet in our recommendations.

In addition to identifying candidates for conversion, we shall evaluate the current market of available EVs and AFVs for their compatibility with current operations. Electric-powered solutions typically have the best emission reduction potential, but other alternative fuels and hybrids can achieve emission improvements over conventional vehicles. These may be desirable solutions for certain vehicle types, such as larger vehicles that might not currently have electrified options from the major manufacturers. We will assess the most feasible options for converting the fleet to zero-emission solutions (all-electric or hydrogen fuel cell) wherever possible. If zero-emission solutions are not currently available or cannot perform the expected duties of any vehicles needed to support City operations, transitional solutions such as plug-in hybrids, propane, renewable natural gas, or renewable diesel may be considered as temporary options. The research shall include market trends on state-of-the-art alternative fuels, government incentives, and alternate vehicle types that might be applicable. The advantages and disadvantages associated with each alternative will be considered.

We will use the baseline analysis and other supporting data including telematics analysis to provide recommendations for right fueling the City fleet factoring in availability, estimated costs, maintenance requirements, and the ability to meet department functions. We have extensive experience developing vehicle replacement plans that are sensitive to the unique budgeting and procurement processes that municipalities must follow. Our vehicle replacement strategy will prioritize vehicles based on an objective analysis of cost, fuel consumption, energy savings, and emissions reduction. The outcome of the alternative vehicle review task will be to develop a matrix of vehicle

choices to implement EVs in stages that best align with current and future industry trends while remaining cognizant of the City's capital planning cycle. We will highlight vehicle classes for which electric alternatives are available and most cost effective, as well as those for which practical electric alternatives are not available. The review shall include:

- Average upfront and lifecycle vehicle cost differential among the commercially available fuel options.
- Climate impacts on performance.
- Cost/benefit analysis of the conversion to electric vehicles for different vehicle classes and types.
- Identification of the vehicle types that are least viable for conversion to electric due to insufficient alternatives, unreliable technology, excessive cost, or other reasons, and an overview of emerging technology and/or case studies.

TASK RESULT

Alternative fueled vehicle options report and spreadsheet showing right-fueling recommendations by vehicle.

Task 3 | Create a Charging Plan to Support Fleet Electrification

Based on the recommended electrification strategy, we will develop a facility support plan to accommodate the charging and storage needs of a fleet increasingly composed of EV assets.

Fleet Charging Profiles

To determine the need for facility changes and charger installations, we will project the future charging needs of the fleet based on the recommended transition to EVs for different classifications in the preceding task. For each asset, we will prepare a charging profile showing the amount of electricity required to charge it, the length of charging time needed, the frequency of charging need, and the window of time available for them to charge. This profile will be produced using data available from manufacturer's specifications as well as the fleet inventory data collected, and the department interviews conducted in the first task. It will show the phased, year-to-year growth in charging need at each location and in each vehicle classification.

Site Installation Planning

With the projected charging profile of the fleet developed for future years, we will examine fleet vehicle and equipment staging locations to understand electrical demand at each

staging area within the facility. The team will conduct a site visit to develop a comprehensive understanding of each area of the facility, including crucial information on electrical panel space, existing transformer size, expected location for vehicle charging, and whether each staging area has its own submeter.

Based on the vehicle requirements and replacement timelines, the team will estimate the annual costs associated with installing chargers at each site within the facility. We will recommend that sites size any replacement equipment and install stub-outs for the total number of expected chargers, then incrementally build onto that charging “foundation” as more vehicles are procured.

We shall provide recommendations including, but not limited to:

- The prioritization of locations to install fleet EV charging stations.
- The type and number of stations to install.
- The estimated cost of installation.
- The proposed schedule for implementation.

The resulting documentation shall identify the necessary electric infrastructure and other facilities improvements to support the electrified fleet.

TASK RESULT

Charging infrastructure needs report with facility electrical assessments and recommended near-term installation plans.

Task 4 | Create a Conversion Plan and Timeline

In this task, we will start by compiling a comprehensive listing of grant opportunities and additional funding sources which may be available to assist the City in its EV transition. This list will include currently available resources and those which are slated to become available within the next five years. These may include grants, rebates, in-kind assistance, and other types of incentives available from state government, federal departments, regional consortiums, utility companies, and other private sources. We will compile and categorize this list, grouping funding opportunities by their feasibility for the City based on qualifications, competitiveness, and level of effort required to obtain them. We will also calculate, when figures are available, the likely cost savings derived from each.

We will use our knowledge of government purchasing processes to review the City's vehicle and equipment procurement policies to identify opportunities and barriers to leveraging creative solutions for acquiring EVs and the charging infrastructure required

to support their deployment. Given the rapidly accelerating nature of EV technology, the growing demand for EVs, and the ongoing global supply chain constraints, vehicle purchase options to be considered may include, but not be limited to purchase on State Contract and leasing of vehicles. Vehicle availability, incentive programs and other factors are changing quickly, and we will incorporate the latest available information to develop a strategic procurement plan that ensures a cost-effective transition to electric vehicles. The resulting plan will provide a roadmap for a phased transition to EVs that maximizes carbon footprint reduction in a fiscally responsible manner.

We will develop a plan for transition of the City fleet to EVs (other zero emissions vehicles or transitional lower-emission vehicles will be considered with justification). Staff will identify barriers to electrification, suggest recommendations for overcoming barriers and provide a deeper understanding of existing resources that can be used to support further electrification. This will factor in vehicle options, charging sites, maintenance capabilities, and procurement processes. Our analysis will identify and assess use patterns, parking and charging facility constraints, policy barriers, and other factors unique to the City. The plan shall include which vehicles to procure, a proposed timeline, and estimates of costs and savings for the complete transition of the City's light duty fleet, and the transition of the City's medium and heavy-duty fleet based on available technology. The Plan shall reflect available and emerging technology and establish timelines for fleet transition. The plan shall identify barriers to transition (e.g., new maintenance requirements, driver acceptance and training, managing charging schedules) as well as financing and strategies to transition to a zero-emission fleet.

TASK RESULT

Report of financial assistance opportunities available for EV fleet transition and operations and phased strategic plan for converting the fleet to EVs.

Task 5 | Develop the Component B Report

Upon the conclusion of the preceding tasks, we will prepare a comprehensive report which summarizes the results of each of the previous work tasks and clearly delineates the recommended changes and associated costs. The report will be structured as follows:

- Executive Summary
 - Primary findings
 - Primary recommendations

- Utilization

- Right-sizing
 - Right-typing
- Right fueling
 - EV options
 - Other alternative fuel options
 - Total Cost of Ownership
- Infrastructure
 - Charging demand
 - Individual facility electrical capacities
 - Consideration of non-fleet charger use
 - Installation plans
 - Estimate of costs
- Conversion Plan
 - Vehicle replacement phasing
 - Sensitivity analysis and flexibility
 - Grant and funding opportunities
 - Maintenance requirements
 - Projected cost and emission impacts
- Appendices
 - Utilization Workbook

Once the draft report is complete, we will submit an electronic copy to the City Project Lead and work closely with them to clarify any questions. Once the report is checked for factual accuracy and comments returned to our project team, we will make the necessary edits and produce a final version. We will provide e-copies of the final report, and all attachments to the City Project Lead. We will also provide a presentation summarizing the project results.

TASK RESULTS

Draft and Final Reports in the format shown and a PowerPoint presentation summarizing the project.

6 Subconsultants

Energetics, a division of VSE Corporation (Energetics), is a full-service technology and management consulting firm serving public- and private sector clients. Since the company's founding in 1979, Energetics has worked to develop and manage effective research, development, and information programs in the fields of transportation, energy, manufacturing, climate and environment, and infrastructure protection.

Energetics provides programmatic and technical assistance to the U.S. Department of Energy (DOE) Vehicle Technologies Office, as well as the transportation research and deployment efforts at the Oak Ridge National Laboratory, National Renewable Energy Laboratory, Argonne National Laboratory, and the Idaho National Laboratory.

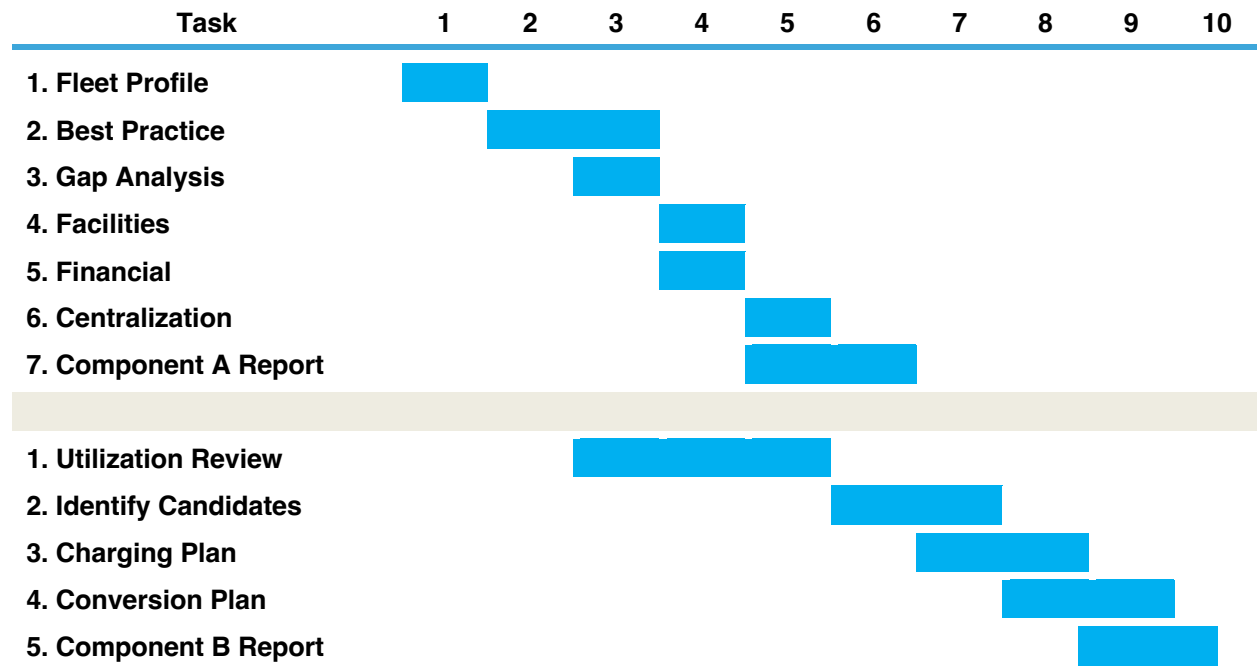
Energetics' primary office is in Columbia, Maryland, with additional offices in Bellingham, WA, Clinton, NY, Washington, DC, and San Diego, CA.

Staff members have played key roles in successfully demonstrating and evaluating advanced transportation technologies, with recent experience in electric vehicle (EV) and EV charging station deployments.

Energetics has partnered with Matrix Consulting Group on multiple fleet electrification and infrastructure projects since 2018.

4 Project Schedule

We propose to conduct this study over the course of 10 months, assuming the availability of data and timely review of interim deliverables by the City. The following chart depicts our proposed timeline for each task, with task deliverables due at the conclusion of each task.



Descriptions of each task can be found in the Appendix.

3 Pricing Methodology

Our fixed price for this project, including travel, is **\$170,300**. We are open to discussing scope to best meet your needs and budget.

Tasks	Principal Sr VP	PM Dir	Fleet Analyst Mgr	Facility Analyst Sr Mgr	Fin Analyst Sr Mgr	Fire SME Sr Mgr	Lead Sust Sub	Sust Analyst Sub	Sust Analyst Sub	Cost
Component A										
1. Fleet Profile and PM	2	40	32	4	4	0	4	0	4	\$ 16,990
2. Best Practice Review	2	24	32	4	8	8	4	0	16	\$ 17,810
3. Gap Analysis	0	24	0	8	0	0	0	0	0	\$ 6,400
4. Facilities	0	4	0	40	0	0	4	0	0	\$ 9,500
5. Financial	0	8	0	0	40	0	0	0	0	\$ 9,600
6. Centralization	0	16	8	8	8	16	0	0	0	\$ 11,000
7. Component A Report	4	16	24	4	16	4	4	0	4	\$ 14,540
Total Hours	8	132	96	68	76	28	16	0	24	
Total Costs (Hours)	\$ 2,200	\$ 26,400	\$ 16,800	\$ 13,600	\$ 15,200	\$ 5,600	\$ 3,040	\$ -	\$ 3,240	\$ 86,080
Travel										\$ 4,000
Total (Hrs and Travel)										\$ 90,080
Component B										
1. Utilization Review	2	24	72	0	0	16	4	0	8	\$ 22,930
2. Identify Candidates	0	8	0	0	0	0	16	0	48	\$ 10,880
3. Charging Plan	0	8	0	16	0	0	16	40	24	\$ 17,240
4. Conversion Plan	0	8	0	0	0	0	24	16	32	\$ 12,680
5. Component B Report	4	16	0	0	0	4	16	8	22	\$ 12,150
Total Hours	6	64	72	16	0	20	76	64	134	
Total Costs (Hours)	\$ 1,650	\$ 12,800	\$ 12,600	\$ 3,200	\$ -	\$ 4,000	\$ 14,440	\$ 10,240	\$ 18,090	\$ 77,020
Travel										\$ 3,200
Total (Hrs and Travel)										\$ 80,220
Total Components A and B										\$ 170,300
Rates	275	\$ 200	\$ 175	\$ 200	\$ 200	\$ 200	\$ 190	\$ 160	\$ 135	