

**City Council of Peachtree City
SPECIAL CALLED MEETING**

June 5, 2006

6:30 p.m.

The Mayor and City Council of Peachtree City will hold a special called meeting on Monday, June 5, 2006, 6:30 p.m., in Council Chambers. The purpose of the meeting is to consider approval of the construction contract for the satellite auto shop. The budget workshop will begin immediately after the special called meeting.

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

TO: Mayor and City Council Members

VIA: City Manager *Donna M. McCallister*
Assistant City Manager *W.H.*
Financial Services Director *P.S.*
Assistant Financial Services Director *one by c.*
Purchasing Agent *one*

FROM: Public Services Director *SC*

DATE: May 31, 2006

SUBJECT: Satellite Auto Shop Facility Construction Bids

Recommendation:

Staff recommends that Council award the construction of the Satellite Auto shop to R.L. Ward, LLC, of Newnan, Georgia, for their bid of \$498,500.00.

Discussion:

There appear to be several considerations that are relevant to the issue of the Satellite Auto facility and any potential decision to proceed with its construction. I have attached several documents that bear on this issue.

1. The spreadsheet illustrating data for FD vehicles that currently cannot be serviced in the shop. This information reflects our actual costs for repairing these vehicles during the most recent 12-month period and an estimate of the cost of contracting out all repairs for all these vehicles. An estimated cost is also included for transportation expenses to the closest available EVT-certified facilities that are authorized to service each specific piece of equipment. The cost includes expenses for personnel delivering the vehicle to the vendor and returning the vehicle back to the City, to include both vehicle cost and personnel costs. All warranty repairs would be required to go to a Central States authorized dealer, the closest of which is located in Chattanooga, TN. Non warranty work could be completed in Union City and Jonesboro. The Public Works shop itself is already EVT-certified.

The numbers indicate that if all the in-house shop repairs on these vehicles had been sent to these facilities, our \$74,269 cost would have gone up to \$261,667 – a difference of \$187,397 (252%). The difference is accounted for in higher parts costs, higher labor rates, and significant added transportation costs.

The spreadsheet does not take into account the intangible cost of added downtime. In our current operation, "downtime" is almost equal to "mechanic time" – travel time to and from the shop is negligible, and there is virtually no waiting time for a mechanic to be made available. The only other factor is the time it may take to order, pickup, or receive any necessary repair parts. The Public Works shop is fully in control of these factors, and can move people and equipment around as needed.

This is not the case with outside repair facilities. A FD vehicle would have to be stripped of all its equipment before being transported to any of these facilities, for security reasons (so stipulated by FD personnel), a process that the FD has shown would add significantly to downtime. Transportation to outside facilities adds to this number, as indicated in the spreadsheet. Most significantly, we have verified that vehicles sent to outside facilities are "put on the line" without any priority assignment – essentially a "first come/first served" system. The repair facilities mentioned in this report have indicated that downtimes could range anywhere from three days to three weeks or more, depending on current demand.

Assuming one day to deliver the vehicle, a minimum of three days in the shop, and one day to retrieve the vehicle, our vehicles will be out of commission on average 19% of the time with contracted maintenance. Based on our current down time statistics, our emergency vehicles are out of commission less than 1 % of the time.

The City of Fayetteville contracts out FD equipment for repairs and experiences having downtimes of weeks, rather than days. (See Assistant Chief Eiswerth's statement, attached.)

2. Assistant Chief Eiswerth's statement on these matters is attached, and addresses some of these matters. The data that we have illustrated supports his concerns.

3. I have attached a copy of some information from the Fleet Management Assessment report produced by Transportation Consultants of Atlanta in February of 2003. The report addressed the issue of whether to outsource repairs (the consultant did not recommend that course), and did recommend that the City should "Proceed ASAP with approval and construction of the expanded satellite maintenance facility." I have the full copy of the report if it is needed.

4. Even if we did not consider the needs of the Fire Department, the need for an expanded facility has been present for some time. We are currently staffed with five employees who service and repair vehicles, but the existing facility has only four bays. One of the five is always working out in the elements, even when no FD equipment is in for repair. In addition, the Fire Department is not the only department likely to have equipment that is oversized for the existing facility. The Storm Water Utility is programmed to pick up a combination vacuum/flusher that will not be able to fit into the existing facility. We currently have dump trucks and loaders which cannot be serviced inside the facility whenever the dump bodies or buckets are required to be in a raised position.

The final attachment is from Richard McDowell, the Fleet Manager, outlining his concerns on these matters.

Budget Impact

This project has been budgeted and will be financed with the 2006 Bricks and Mortar loan. Debt service for the building is \$47,437, the debt service for equipment is \$5,851, for a total debt service of \$53,289.

Repair Data: FD Vehicles That Cannot Be Repaired In Current Facility
Vehicle Records From 5/1/05 to 4/30/06

1. Data from Shop Records:

Vehicle Number	2202	2208	2214	2215	2217	2218	2223	2226	2310	2311	2312	2314
Vehicle Description	Squad 8	Quint 83	Engine 82	Engine 85	Engine 81	Engine 84	Rescue 8	Tower 8	Medic 84	Medic 83	Medic 82	Medic 81
Parts Cost Since 5/1/05	\$2,183	\$254	\$7,166	\$5,297	\$10,828	\$267	\$5,893	\$4,400	\$2,038	\$5,573	\$1,870	\$1,229
Mechanic Hours Since 5/1/05	7.75	26.25	77.50	71.00	149.00	5.00	89.25	137.00	34.25	84.25	64.50	22.50
Number of Times in Shop	2	7	21	14	25	2	18	13	13	17	19	12

2. Actual Vehicle Repair Costs For Previous 12-Month Period At Existing DPW Shop:

Labor Rate/Primary Mechanic	\$35.498	\$35.498	\$35.498	\$35.498	\$35.498	\$35.498	\$35.498	\$35.498	\$35.498	\$35.498	\$35.498	\$35.498
Total Labor Cost	\$275	\$932	\$2,751	\$2,520	\$5,289	\$177	\$3,168	\$4,863	\$1,216	\$2,991	\$2,290	\$799
Total Parts Cost	\$2,183	\$254	\$7,166	\$5,297	\$10,828	\$267	\$5,893	\$4,400	\$2,038	\$5,573	\$1,870	\$1,229
Total Per/Vehicle Costs	\$2,458	\$1,186	\$9,917	\$7,817	\$16,117	\$444	\$9,061	\$9,263	\$3,254	\$8,564	\$4,160	\$2,028

Total for All Vehicles: \$74,269 (Note: No TRAVEL costs incurred or included.)

3. Projected Repair Costs For Same Vehicles For Same 12 Months If Transported To Closest EVT-Certified Private Repair Facility:

Authorized Facility Location (City)	Evans Union City	Southern Chattanooga	Freightliner Jonesboro	Freightliner Jonesboro	Southern Chattanooga	Southern Chattanooga	Freightliner Jonesboro	Southern Chattanooga	Evans Union City	Evans Union City	Evans Union City	Evans Union City
Estimated Parts Costs	\$2,838	\$330	\$9,316	\$6,886	\$14,076	\$347	\$7,661	\$5,720	\$2,649	\$7,245	\$2,431	\$1,598
Company Labor Rate	\$89	\$65	\$113	\$113	\$65	\$65	\$113	\$65	\$89	\$89	\$89	\$89
Estimated Total Labor Costs	\$690	\$1,706	\$8,758	\$8,023	\$9,685	\$325	\$10,085	\$8,905	\$3,048	\$7,498	\$5,741	\$2,003
Estimated Transport Costs	\$407	\$1,639	\$593	\$593	\$1,639	\$1,639	\$593	\$1,639	\$407	\$407	\$407	\$407
Number of Times to Facility	2	7	21	14	25	2	18	13	13	17	19	12
Total Estimated Transport Costs	\$814	\$11,473	\$12,453	\$8,302	\$40,975	\$3,278	\$10,674	\$21,307	\$5,291	\$6,919	\$7,733	\$4,884
Total Est. Per/Vehicle Costs	\$4,342	\$13,509	\$30,526	\$23,211	\$64,736	\$3,950	\$28,420	\$35,932	\$10,989	\$21,662	\$15,905	\$8,484

Total for All Vehicles: \$261,667 (Note: Includes Parts, Labor, and Transport Costs for All Vehicles, All Trips)

Difference Between ACTUAL Costs and PROJECTED (Contracted) Costs: \$187,397 /Year

Estimated Annual Amortization Cost of Satellite Auto Facility and Equipment: \$53,289 /Year

Estimated Savings: \$134,108 /Year

Notes Regarding These Calculations:

Section 2: Labor Rate/Primary Mechanic - the rate was calculated for Keith Crowley, the mechanic primarily responsible for FD/Emergency equipment, and includes salary, employee benefits, and a reasonable shop "overhead" cost (utilities, insurance, etc.). This includes base salary x 1.40 (mark up for benefits).

Total Labor Cost - Reflects Labor Rate x Mechanic Hours Since 5/1/05

Section 3: Authorized Facility - Closest location authorized for repairs/maintenance based on model and type of equipment.

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

TO: Colin Halterman

FROM: Assistant Chief Eiswerth, Operations

DATE: 5-8-06

SUBJECT: Satellite Auto Shop Issues

1. When fire trucks are sent "out of town" for maintenance they are stripped of supplies and equipment. This includes the thousands of feet of hose, axes, pike poles, thermal imagers, spare nozzles, lights, SCBAs and spare bottles, EMS jump kits etc. The equipment and supplies from one fire truck usually fills a bay at Station 81. It takes approximately 13 firefighters 1-2 hours to take the equipment off and 2-3 hours of time to put the equipment back on the vehicle. Replacing the hose into the hosebed causes the difference in time.

In the past, we have had "equipment" walk off while the trucks were located at various repair shops outside the city. A lot of the firefighting equipment on a truck is very expensive. Just one nozzle can cost over \$300. SCBAs are over \$3500. Flashlights, tools, and rope are costly and can easily go missing. Another reason the trucks are stripped, if they sit outside for any length of time the firefighting hoses on the trucks may degrade if they are in direct sunlight.

When we send the medic units out for repairs it usually for shorter periods of time. We only take off the jump kits, monitors, computers, drugs, jump kits and everything of high value. This only takes a crew of two less than an hour. If the medic unit is scheduled to be out for a lengthier period of time we will strip it, but this is the exception not the rule for the medic units.

2. Fayetteville Fire department did have a maintenance person, but he left a few years ago. Fayetteville Fire Department initially tried to work out a deal with Fayette County but Fayette County said they did not have the room and personnel to help maintain Fayetteville's equipment. Since that time they have contracted out the work on an "as needed basis." They are much smaller than Peachtree City and only have half a dozen trucks. Chief Jones had no idea the costs per hour. He does not like the set up. If his trucks go out of service they are "put in line" for repairs at the outside repair shop. His vehicles are usually down for weeks. He added if you "out source," you better be prepared to have vehicles down and out of service for weeks instead of days.

3. Fayette County Fleet Maintenance maintains all the Fire and EMS equipment and vehicles. The County only "out source" maintenance on specialized equipment similar to our Fleet Maintenance. Fayette County also does the warranty work when it is permitted and arrangements worked out with manufacturer.

4. The argument for a satellite repair shop:

- a. None of the fire trucks fit in the present shop. This means all repairs are done in the "weather." This causes issues including the possibility of damage in the winter due to freezing tanks, piping and valves if the truck is not "drained" or returned to the stations overnight. If the truck is not moveable, there can be problems if water is left in the tanks. Moving the truck back and forth from PW shop to the station(s) each night causes delays in repairing. Electrical problems can occur when repairs are being done in the "wet" weather.
- b. Many times we have to provide "drivers" to drive the vehicles to the "out of town" repair facilities. The Department is already "understaffed" and this requirement makes us even more undermanned. Just getting the equipment to the out of town repair shop puts further strain on our resources.
- c. Our "experience" with repairs that are not obvious are resolved quicker when the "Fire Department" personnel talk directly to those doing the repairs. The "drivers" of these vehicles can tell the PW personnel exactly what they heard, felt, saw, and the difference from the norm. This usually helps in finding the problem a lot quicker and less downtime. If the trucks are "outsourced" for repair the "driver" who found the "problem" most likely will not be the one available to talk to the repair shop. This will cause possible delays in the repair work.
- d. Historically, when equipment has been "outsourced" for repair the Department loses control on the repair time. We normally use "one day there and one day return" plus X number of days for repair to figure out how many days the vehicle will be gone and "out of service." In other words the Department will add two more days of downtime and out of service time if the vehicle leaves town for repairs.
- e. We do not keep data on downtime or out of service time, but historically when equipment is sent out of town for repair, it usually takes a lot longer for the repair to be done. Many times there is no "hurry" or priority to get our equipment repaired by "out side" maintenance shops. Our trucks go in line behind dump trucks, delivery trucks etc at the "outside" maintenance shop. Peachtree Fire/Rescue is just another client that needs to wait in line.

The Fleet Manager here in Peachtree City does put priority on the repair of the Fire Department equipment because he knows we do not have back up or reserve equipment.

The Department is constantly changing the vehicle repair or Preventative Maintenance schedule based on daily needs, other out service vehicles or problems. It is daily routine to reschedule equipment with PW. I do not feel the Fire Department will have that needed flexibility with an "outsourcing" of the repair.

- f. Another issue that will have major impact is where we must go to get the fire trucks repaired. At present, the Peachtree City Fleet Management has been certified to repair Central States Inc. fire trucks. If we no longer do the repairs "ourselves" we will have to ship or drive the trucks to Tennessee or north Georgia where the two repair shops are located for Central States Inc. That was one of the advantages of Central States Inc.; they approved PW to do many of the repairs instead of us transporting the equipment to their shops. The Fleet Manager has a great working relationship with Central States Inc. and is able to get parts shipped to Peachtree City in a timely manner.

There is no guarantee that whomever we do business will have the same good relationship with Central States. Having the correct "repair" or "replacement" part is essential to fire truck repair.

- g. The Department takes great pride in being able to talk to the PW maintainers so the "team" can get the equipment back on the road as soon as possible. Everyone understands the issues of having any vehicles out of service for any length of time.



**City of Peachtree City
Fleet Management Assessment
February 2003**

burnett@transpconsult.com

404-250-0100

**Presented by:
Stephen W. Burnett, Senior Vice President
Transportation Consultants, Inc.
8302 Dunwoody Place, Suite 352
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FACILITY
(Space Allocation, Tools, Forward Look)

Findings

- The current facility, as the pictorial attachment indicates, is cramped, outdated and has lived its useful life.
- Mechanic interviews cited poor turnaround radii, dark conditions and cramped working conditions. (They also cited limited training opportunities, no tool allowance, limited lift capacity and lack of heavy equipment diagnostics.)
- Some safety concerns are present in that the welding area is close to the fuel point and there are ever-present concerns with the pit.
- Bay length is too short for expeditious repair of some fire apparatus.

Recommendations

- Proceed ASAP with approval and construction of an expanded satellite maintenance facility. Our review indicates the site and potential expanded configuration are appropriate for the tasks at hand. More architectural input is required however.
- Ensure monies are available to equip the new facility properly.
- Consider adding a car wash on expanded site.
- Ensure the operation is under control of fleet management.
- Our strategic rationale of this recommendation is as follows:
 - The proposed satellite facility is easily expandable with additional site acquisition.
 - Expansion cost will be less than the original satellite cost of approximately \$90 a square foot (\$77 construction and \$13 for equipment.)
 - The site is ideal in that it is close to Police Headquarters and the longer-term site of the new Public Works Complex (current WASA site).
 - Fleet operations are more efficient and effective when co-located in that it avoids duplication of equipment and supervision.

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

TO: Tom Corbett, Director of Public Services

FROM: Richard McDowell, Fleet Manager

DATE: May 10, 2006

SUBJECT: Justification for Additional Auto Shop

The current auto shop has only two bays with lifts and neither of these lifts will lift an ambulance high enough to work on safely. Additionally, the newer fire engines do not fit in the existing bays. As of now, the mechanics perform maintenance on these vehicles outside in the weather. This is very hazardous and increases the time required to perform even the smallest of repairs.

With the completion of the proposed satellite auto shop, there would be sufficient room to perform preventative maintenance and repairs as needed on the fire apparatus, ambulances, and other large Public Works equipment.

The mechanics currently employed by the city are very dedicated and have been called in on holidays, weekends, and even during late night hours, and they have responded without hesitation. They are highly qualified and EVT (emergency vehicle technician) certified, and have demonstrated their knowledge and willingness to do whatever it takes to get vehicles "back up and running in a safe and efficient manner.

With an in-house auto shop, the City controls how long vehicles are out of service. Interdepartmental communication also helps in diagnosing problems in a timely manner. Outsourcing some or all of the fleet maintenance functions would remove the City's control over length of vehicle down-time and would eliminate the personal contact between vehicle drivers and mechanics, especially for the Fire Department when maintenance is performed at distant facilities.

Finally, the City, as a governmental agency, can take advantage of discounts from local retailers and the exemption from paying sales tax when purchasing parts for repairs. In turn, outsourced maintenance would eliminate these savings and can result in cost markups from the vendor.

The bottom line is that the additional auto shop would be more cost effective than outsourcing for the city, mechanics would be working in a safer environment and the downtime for the equipment would be decreased because of working in an enclosed shop.

RM/ly