

AGENDA REPORT

Resolution: Approve and Authorize Executive Director to Execute a Six-Month Extension of the Airport Shuttle Fleet Maintenance Agreement with Kelly's Truck Repair of San Leandro, to December 31, 2018, for an Amount Not to Exceed \$165,000 (Aviation)

MEETING DATE: 5/24/2018

AMOUNT: \$165,000 (FY 2019)
Operating Expense

PARTIES INVOLVED: Kelly's Truck Repair, San Leandro, CA
Kelly Green

SUBMITTED BY: Bryant L. Francis C.M., Director of Aviation

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

Staff requests authorization to extend the Port's contract with Kelly's Truck Repair ("Kelly's") for the provision of Airport Shuttle Fleet Maintenance for a period of up to six months, to December 31, 2018. This action is recommended to assure operational continuity through the spring and summer months while the Port takes delivery on a fleet of new/replacement shuttle buses. Kelly's would assist the Port in critical vehicle in-take and testing procedures and staff wishes to avoid a potential change in maintenance contractor during this important process. Kelly's would be paid an amount not to exceed \$165,000 in reimbursable operating expense. These funds are included in the proposed FY 2018-19 Operating Budget and the recommended action has no budget impact.

BACKGROUND

The Port executed an agreement with Kelly's to provide Airport Shuttle Fleet Maintenance services for three years plus two one-year extensions, starting on July 1, 2013. During this contract Kelly's has maintained all of the Airport's shuttle bus fleet which currently includes ten Model Year (MY) 2003 Ford Aerotech buses, and five MY 2009 El Dorado Axess buses. That professional services agreement terminates on June 30, 2018. Staff is conducting a process to select a new Fleet Maintenance contractor and will subsequently request Board authorization to enter into an agreement with the new contractor to perform those services.

However, the Airport will soon take delivery on a fleet of nine new Ford-El Dorado Aeroelite shuttle buses to replace the ten Ford Aerotech buses (of which just seven are in-service). As part of that procurement the Port is planning to have Kelly's run a series of tests and inspections on the new vehicles later this Spring, and this process is expected to extend into the summer months. A change in fleet maintenance contractors during the middle of this process would be disruptive because a new contractor would have to repeat staff maintenance training on the new vehicles while also training to maintain the other Airport shuttle buses.

ANALYSIS

Kelly's has agreed to extend the current agreement with the same terms and conditions for the proposed six-month extension period. Compensation under this agreement is based on a combination of:

- reimbursement of contract-specified monthly preventative maintenance ("PM") fees per bus; and
- time and materials expense for non-preventative maintenance, which are unscheduled, as-needed repairs.

The PM and non-PM expenses are based on contract-specified hourly rates. The current amounts, and estimated six month costs are summarized below.

Bus Type	Fleet Size	PM Cost / Month (a)	Ave. Non-PM Cost/Month (b)	Total Monthly Cost	Estimated Six-Month Cost
2003 Ford Aerotech CNG (to be replaced by new 2018 Ford AeroElite CNG buses)	10	\$1,295	\$16,600	\$17,895	\$107,370
2009 Eldorado Axess CNG	5	\$2,940	\$ 6,700	\$ 9,640	\$ 57,840
TOTAL COSTS			\$23,300	\$27,535	\$165,210

(a) Reflects an assumed 3% CPI adjustment to contract rate as of July 1, 2018

(b) Average monthly expense + CPI adjustment

The costs detailed above are already included in the proposed FY 2019 Aviation Operating Budget.

BUDGET & STAFFING

The estimated six month cost of extending the current contract for Kelly's is \$165,000 for PM and Non-PM costs. This reflects an anticipated reduction in Non-PM costs due to replacing 15 year old buses that now require considerable heavy maintenance, with new buses that will be under factory warranty. The proposed action does not have any budget or staffing impact.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) does not apply because this contract is for professional services that are not within the craft jurisdiction of the unions' signatory to the MAPLA.

STRATEGIC PLAN

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Business Plan (2018-2022).

<https://www.portofoakland.com/wp-content/uploads/Port-of-Oakland-Strategic-Plan.pdf>

The following goals relate to replacing and maintaining the Airport's shuttle bus fleet

- Improve Customer Service
- Modernize and Maintain Infrastructure

LIVING WAGE

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), do not apply to this agreement as the service provider does not employ 21 or more employees working on Port-related work. However, the service provider will be required to certify that should living wage obligations become applicable, the service provider shall comply with the Living Wage Regulations.

SUSTAINABILITY

This action involves maintaining the Airport's alternative fuel shuttle buses in a state of good repair. This will optimize fleet (CNG) fuel efficiency and assure efficient operations.

ENVIRONMENTAL

CEQA Determination: This action was reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA). The CEQA Guidelines, Section 15061(b)(3) ("the general rule") states that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Extending the professional services agreement with Kelly's Truck Repair to provide shuttle bus maintenance services will not have a significant effect on the environment and therefore is not a project under CEQA. No further environmental review is required.

GENERAL PLAN

This action does not change the use of any existing facility, make alterations to an existing facility, or create a new facility; therefore, a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)

Professional service agreements are not subject to the Port's Owner Controlled Insurance Program (OCIP) as professional services are not construction activities.

OPTIONS

1. Approve the proposed action and authorize the Executive Director to amend and extend the Airport Shuttle Fleet Maintenance Services agreement with Kelly's Truck Repair, subject to the terms described in this Agenda Report, to provide Airport Shuttle Fleet Maintenance services. The contract duration would extend by six months to December 31, 2018 and the total contract value increase by \$165,000 in reimbursable operating expense. This is the recommended action.
2. Approve the proposed action and authorize the Executive Director to extend the Airport Shuttle Fleet Maintenance Services agreement with Kelly's, but subject to terms that are different than those described in this Agenda Report, which may require further negotiation and/or possible rejection by the recommended contractor.
3. Do not authorize the Executive Director to amend and extend the Airport Shuttle Fleet Maintenance Services agreement with Kelly's, based upon the terms described in this Agenda Report.

RECOMMENDATION

Adopt a resolution to approve Option 1, authorize the Executive Director to amend and extend the Airport Shuttle Fleet Maintenance Services agreement with Kelly's Truck Repair, subject to the terms described in this Agenda Report, and subject to approval as to form and legality by the Port Attorney, to provide Airport Shuttle Fleet Maintenance services. The contract duration would extend by six months to December 31, 2018 and the total contract value would increase by \$165,000 in reimbursable operating expense.