

SERVICE LEVEL AGREEMENT
BETWEEN THE CITY OF HAMPTON
AND

HAMPTON REDEVELOPMENT AND HOUSING AUTHORITY

This Service Level Agreement (“Service Agreement”) is made this ____ day of October, 2017, by and between **The Hampton Redevelopment and Housing Authority**, a political subdivision of the Commonwealth of Virginia and the **City of Hampton, Virginia**, a municipal corporation of the Commonwealth of Virginia, through its Department of Fleet Services.

I. RECITALS

- A. The City of Hampton (the” City”) through its Department of Fleet Services (“Fleet Services”) provides a full range of transportation-related services such as vehicle maintenance and repair services, vehicle leasing services and vehicle fueling services in order to support departments in the pursuit of their respective public service delivery missions.
- B. The HRHA (“HRHA”) is a political subdivision of the Commonwealth of Virginia that provides opportunities that revitalize communities, enhance the quality of life and provide a link to housing and self-sufficiency.
- C. A fleet of dependable vehicles is required in order to operate HRHA programs; therefore, transportation represents a significant cost element for the HRHA. These costs are not limited to direct expenses for items such as repairs, asset replacement and fuel, but also include the substantial indirect cost of lost employee productivity when vehicles are out of service for maintenance and repair.
- D. Fleet Services operates an Automotive Service Excellence (ASE) “Blue Seal” vehicle maintenance and repair shop and a 24-hour/7-day-per-week fueling station.
- E. Fleet Services focuses on asset management activities that conserve the value of equipment investments and will provide the HRHA with value added services that result in lower fleet ownership costs.
- F. The HRHA desires to pay the City for vehicle maintenance, repair and fueling services on a regular basis.

G. The City through Fleet Services intends to support the HRHA's efforts by servicing, repairing and fueling HRHA vehicles.

NOW, THEREFORE, in consideration of the public benefits to accrue to the City and the HRHA, the parties agree as follows:

I. INCORPORATION OF RECITALS

The above referenced Recitals are incorporated herein as if fully set forth in this Service Agreement.

II. TERM

This Service Agreement shall be for an initial term of one (1) year, commencing as of the effective date hereof. This Service Agreement may be renewed on an annual basis for up to four (4) additional years at the sole option and discretion of HRHA. It is expressly understood by the City that HRHA reserves the right not to renew this Service Agreement for any reason or no reason at all. The HRHA and Fleet Services will meet before December 15th (time of next year's budget formulation) and May 15th of each year to discuss and outline any needed adjustments for the following fiscal year.

III. SERVICES PROVIDED BY FLEET SERVICES

A. Fleet Services will provide a full range of transportation-related services as described below:

1. Asset Management Services
 - Fleet policy development
 - Replacement planning
 - Vehicle and equipment specification preparation
 - Vehicles and equipment selection and purchase coordination
 - Fuel and alternative fuel program development
 - Vehicle and equipment utilization review
 - Vehicle and equipment disposal
2. Maintenance and Repair Services
 - Preventive maintenance program development
 - Comprehensive equipment maintenance and repair services
 - Vendor repair coordination
 - Vehicle towing services
 - Roadside tire repair services
 - Collision damage repair services
3. Vehicle and Equipment Rental Services

4. 24/7 Fueling Services

IV. SCOPE OF SERVICES TO BE PROVIDED TO THE HRHA

A. Fleet Services shall provide the HRHA with high quality, timely and cost-effective vehicle and equipment services which shall be billed directly to the HRHA and will be segregated into “target” and “non-target” services.

1. “Target Services” are generally routine vehicle and equipment maintenance and repair activities that are reasonably predictable and, therefore, lend themselves to projection and estimation.

2. “Non-Target Services” are variable in nature and therefore not predictable. They are dependent on the actions or decisions of individuals other than those who are providing maintenance services, such as department vehicle operators and business managers. Unpredictable services include accident repairs, modifications to vehicles and equipment, repairs of damage caused by vandalism, driver abuse, or acts of nature; expenditures required to extend the life of vehicles beyond their specified life cycles; and other directed work.

B. FLEET MAINTENANCE AND REPAIR SERVICES

1. Preventive Maintenance PM Program Services (ALL TARGET SERVICES)

Fleet Services will focus efforts on behalf of the HRHA on PM activities as described below:

1.2. Several types of PM services will be provided based on the vehicle/equipment’s utilization. Additionally, when applicable, a mandated State Inspection will be performed.

1.3. The HRHA will be contacted for authorization before any major repairs (e.g., engine work, transmission work, etc.) found during a PM inspection. The HRHA shall provide a decision of repair approval within one (1) hour of being contacted by Fleet Services. The HRHA shall also provide designated staff to make repair authorizations until 3:30 p.m. so that second or split shift operations are not adversely impacted by the repair authorization process. Downtime and repair turnaround time calculations shall not include time waiting for repair authorization. Fleet Services shall provide a repair estimate in extraordinary circumstances.

1.4. Fleet Services will track maintenance of the HRHA vehicles in a Fleet Management Information Systems and will e-mail a PM schedule notification to the appropriate HRHA coordinator monthly. Fleet Services will coordinate scheduling of services with the HRHA coordinator for a date and time that is convenient to the HRHA and at a time where workload requirements are such that the above turnaround times can be met.

1.5. The HRHA will achieve a scheduled PM compliance rate of 98%. That is 98% of the vehicles and equipment that are due for service will be turned in before the end of the month that the service is due. ***Scheduled compliance reports will be submitted to the HRHA each month.***

1.6. Fleet Services will achieve a PM completion rate of 97% for the HRHA vehicles and equipment. That is 97% of scheduled services for equipment that are brought in before the end of the month (exceptions are those that are turned in just before the month ends) will be completed before they are overdue.

1.7. The HRHA shall cooperate in scheduling PM services by responding promptly to PM scheduling requests and by honoring PM appointments. If operational priorities require rescheduling of a PM appointment, then the HRHA shall do so at least 24 hours in advance of the original appointment by calling or e-mailing. Missed appointments will not count against Fleet Services' achievement of the PM compliance goal. Fleet Services will report all missed PM appointments to the appropriate administrator.

C. ALL MANDATORY STATE AND FEDERAL INSPECTIONS AND CERTIFICATIONS (ALL TARGET SERVICES)

Fleet Services will perform State annual inspections for all on the road powered vehicles, as well as all other Federal and State required vehicle inspections and certifications, where applicable.

D. ON DEMAND, SAFETY CHECKS (TARGET SERVICES)

Fleet Services will perform on demand, safety checks when an HRHA employee makes a personal determination that the vehicle may be unsafe. Fleet Services will communicate with the designated HRHA coordinator when a vehicle is delivered for an on demand, safety check.

E. REPAIR PROGRAM AND BILLING (ALL TARGET SERVICES)

1. Vehicle Repair Services/Billing. Repair services will be provided on an "as needed" basis according to the requirements of the HRHA. Vehicles will be repaired according to the level of effort required by Fleet Services' Standards of Maintenance. Billing for services will be on a time and material basis at the rates set forth in certain document entitled, "Services Prices and Billing Procedures," attached hereto as Appendix A and incorporated herein by reference. The fee schedule outlined in Appendix A shall be subject to change each fiscal year.

2. Fleet Services shall provide the HRHA with a monthly invoice detailing all repair services that have been provided during the previous calendar month. Payment for those services itemized on such invoice provided by Fleet Services to the HRHA shall be paid by HRHA within 30 days of the HRHA's receipt of such invoice.

3. All HRHA vehicles and equipment will be repaired at the Fleet Service main garage ("Main Garage").

4. Fleet Services will provide pit stop service at the Main Garage to complete any quick repairs. Quick repairs are those that estimated to be completed in one hour or less. This service will be the highest priority for technicians at the Main Garage. A summary of work orders with labor time of 30 minutes or less will be provided to the HRHA monthly.

5. Fleet Services will provide after-hours support 365 days per year. The HRHA customer must contact the 311 call center (757-727-8311) for assistance after 4:30 pm M-F and anytime on weekends and holidays. Fleet Services will respond within one half hour. In instances where the diagnosis indicates that the repair will be complex and time-consuming, Fleet Services will have the vehicle towed to the garage.

6. Fleet Services will provide roadside services for vehicles that break down. The decision to dispatch a field technician will be based on Fleet Services' estimate of the severity of the repair problem and the level of effort required to get the vehicle back in service. In general, Fleet Services will provide roadside service when repairs can be clearly diagnosed over the phone or radio and can be handled in less than one hour. More complex and time consuming repair problems are more cost-effectively handled by towing the vehicle to the shop.

7. In addition to regular repair services, Fleet Services also will coordinate contract repair services for the HRHA. The decision to use an outside vendor will be based on shop workload and services that require special tools, equipment or expertise. Selected roadside tire services and towing services are also available through contracts managed by Fleet Services.

8. Fleet Services will provide the HRHA with a turnaround time estimate for all repairs. If conditions change during the repair process, then Fleet Services will provide the HRHA coordinator with an updated cost and turnaround time as required. Fleet Services will complete repairs on HRHA vehicles as quickly as possible. The goal will be to complete repairs on 90% of HRHA vehicles in one (1) day or less and no more than 10% in one (1) to three (3) days. Repair turnaround time will be calculated after problem diagnosis has occurred and the HRHA has given Fleet Services repair authorization. This turnaround time standard will not apply to vehicles requiring repair due to accidents, vandalism, driver responsible incidents, defects covered by manufacturer warranty, or acts of God.

9. Every effort will be made to limit vehicle downtime. Vehicles are considered out of service when they are not available during their normal work schedule (e.g. Monday – Friday from 8:00 am to 4:30 pm). Vehicles requiring repair due to accidents, vandalism, driver responsible incidents, defects covered by manufacturer warranty or acts of God shall not be included in downtime calculations. The following benchmark will apply to the HRHA'S fleet:

Light vehicles (e.g., sedans and SUVs) will have a 98% availability rate. Downtime will be applied when vehicles are not available between the hours of 8:00 am and 4:30 pm, Monday through Friday including holiday schedules.

10. The same conditions for repair authorizations as described above under the PM program section of this Service Agreement will also apply to general vehicle equipment repairs.

11. Fleet Services will provide the following repair warranties:

11.1. General repair work will warranted for 30 days for defective workmanship.

11.2. Parts that have warranty coverage for longer periods will be recouped for the HRHA.

11.3. Vendor repairs that fail within their warranty period will be recouped for the HRHA.

11.4 Manufacturer warranties will be recouped for the HRHA.

12. Fleet Services will perform repairs or through contracts, manage repairs for HRHA vehicles that have sustained damage in an accident. Fleet Services will bill these charges in monthly billings to the HRHA. Fleet Services will not begin the repair process for HRHA vehicles that have been involved in an accident until the HRHA provides an accident control file number.

13. Fleet Services will use its state-of-the-art computer system to manage HRHA vehicle maintenance and repair operations. This system provides fleet life cycle cost information, shop productivity data, preventive maintenance scheduling, warranty tracking, and other operational information. A variety of reports will be available from the system to help the HRHA analyze vehicle costs. Fleet Services will provide an invoice and the following standard reports on a monthly basis (within seven (7) business days after close of the monthly billing cycle during which such services and repairs were performed):

Consolidated billing report with attached work orders

Uptime and comeback reports

Summary of all “non-targeted” repairs

Budget-to-actual reports

PM compliance reports

Any issues or concerns may be addressed to the Fleet Services Operations Service Manager.

F. VEHICLE MANAGEMENT AND ASSET MANAGEMENT SERVICES (REPLACEMENT, ACQUISITION, AND DISPOSAL SERVICES)

1. Although the HRHA is responsible for replacing its own vehicles and equipment, replacement recommendations will be prioritized and provided by Fleet Services according to a formula that considers vehicle age, life usage, life costs and a condition review.

2. Fleet Services, through consultations with the HRHA, will prepare specifications for new vehicles and coordinate acquisitions from equipment vendors. New vehicles are prepared for service within two weeks of delivery. Fleet Services will use its best effort to purchase vehicles and equipment with all necessary equipment already installed in order to expedite delivery to customers.

G. FUELING SERVICES

Fleet Services owns and operates a 24/7 fueling station at the Main Garage location and has access to alternative commercial fueling sites during emergencies which services may be used by HRHA vehicles subject to the HRHA pay for the cost of such fuel.

H. MOTOR POOL RENTAL CARS

Fleet Services maintains an inventory of vehicles that are available for short term loan to replace vehicles under repair, to meet daily transportation needs, and for out of town trips. The charge for “non-loaner” vehicles ranges from \$15 to \$30 per day. The HRHA is responsible for paying fuel costs and for any accident or other damage to motor pool vehicles while they are in their possession. If the HRHA wishes to reserve a motor pool vehicle, the HRHA customer shall contact Fleet Services at 757-726-2958.

I. DIRECTED WORK/SPECIAL PROJECTS

Fleet Services is available to provide special project work at the direction of the HRHA. Special projects may include new equipment installation design, custom reports, and other projects. Billing for these projects will be at Fleet Services’ standard hourly rate in effect at the time that services are rendered. If priorities for special projects are such that normal activities will be impacted and production goals effected (e.g. downtime, turnaround time, PM compliance), then the HRHA shall waive production goal attainment for the duration of the special project.

J. HRHA DRIVER/OPERATOR RESPONSIBILITIES

1. HRHA vehicles are complicated machines and drivers of these units are an important part of the maintenance process and a first line of defense against vehicle breakdowns. HRHA drivers will have the following daily responsibilities:

1.1. Drivers will perform a daily pre-trip inspection of their vehicles before operation. This inspection will include a check of fluid levels, brake function, tire condition and air pressure, other items as required by the HRHA. All problem areas will be brought to the attention of the HRHA coordinator. Vehicles with safety related defects (e.g. brakes, lights, mirrors, etc.) must not be operated.

1.2. Vehicles should be turned off when not in use. Excessive idling wastes fuel, emits excessive emissions and causes engine deposit build-up.

1.3. HRHA drivers and operators will clean debris from vehicles on a daily basis.

2. HRHA employees will report problems discovered during daily operations promptly so those remedial repairs can be made and not impact daily operations.

K. ACCESSING FLEET SERVICES

1. The HRHA coordinator and the main point of contact between Fleet Services and the HRHA will be JoAnne Ragland or any other individual designated by HRHA from time to time with prior notice to Fleet Services.

2. Day to day activities and problem resolution will be managed by Fleet Services' service office staff and the Operations Service Manager.

3. HRHA employees requiring service or problem resolution should contact the service office directly at 726-2958 or by email @ servicedesk1@hampton.gov. Appointments are strongly recommended in order to minimize vehicle downtime.

V. FLEET SERVICES OBLIGATIONS

A. Fleet Service additional obligations are as follows:

1. To comply with all provisions of this Service Agreement;
2. To use its best professional judgment in furtherance of serving the HRHA's best interests, subject to Fleet Services' primary obligation to provide the City and its employees with high quality, timely and cost-effective fleet services;
3. To assist the HRHA in reducing their transportation costs;
4. To provide the HRHA coordinator on line access to selected portions of the Fleet Management Information System; and
5. To develop a reporting procedure that provides access and briefings to the HRHA.

B. Notwithstanding the provisions of Section II of this Service Agreement and without modifying said section, Fleet Services will meet at least one (1) time per year with the HRHA to review this Service Agreement and make any changes which the parties deem to be mutually required.

C. Fleet Services will make every attempt through consultation with the HRHA to keep repair and maintenance costs within the approved budget.

VI. HRHA OBLIGATIONS/INDEMNIFICATION

A. The HRHA will have the following additional obligations under this Service Agreement:

1. To comply with all provisions of this Service Agreement including designating a fleet coordinator and providing the timely payment of those Target and Non-Target Services;
2. To comply with all preventative maintenance scheduling requests;

3. To take appropriate steps to minimize abuse and misuse of vehicles and develop a formal process for managing these instances;

4. To report vehicle equipment malfunctions promptly;

5. To honor appointments for preventive maintenance services. If rescheduling is necessary, do so at least 24 hours in advance;

6. To provide repair authorizations within one hour of being contacted;

7. To ensure that HRHA employees make daily inspections of their vehicles before use and check fluids and tire pressure at each fueling; and

8. To ensure that HRHA employees receive operator training and work in partnership with Fleet Services.

B. Within ten (10) days of receiving a copy of fully executed copy of this Service Agreement, the HRHA shall provide Fleet Services and the City's Risk Manager a list of all HRHA employees who will be authorized and enabled to drive loaner vehicles ("Approved Driver") and shall certify that it has reviewed the driving record of each of the employees identified on such list and that each of the identified employees has a valid driver's license and that his/her driving record does not contain any of the following items that will make him or her ineligible for Approved Driver Status:

1. More than two (2) chargeable accidents during the prior two (2) years.

2. Accumulation of more than eight (8) points attributed to speeding during the previous two (2) years.

3. Accumulation of more than nine (9) points on their driving record over the past twelve (12) months.

4. Convicted of drunk driving or driving under the influence of drugs during the previous five (5) years.

5. Convicted of reckless driving during the past five (5) years.

6. Convicted of manslaughter in connection with the use of motor vehicle during the past five (5) years.

7. When the individual is uninsurable (i.e. if the Virginia Division of Motor Vehicles driving record report indicates that the individual is an uninsured motorist).

8. When the driving record reflects a continuing trend of poor or careless driving habits, he/she may be designated a "habitual offender". An example of a habitual

offender would be a person whose driving record reflects driving citations during each of the four preceding years, regardless of the number of demerits accumulated. However, should a person designated as a habitual offender complete an accredited Driver Improvement Program they may be reconsidered to be eligible as an Approved Driver.

The HRHA shall provide Fleet Services and the Risk Manager of the City of Hampton timely notice should it become aware that any Approved Driver identified on such list has a driving record that indicates any of the foregoing items or is designated as a habitual offender. The HRHA shall take immediate steps to eliminate such employee from the list of Approved Drivers.

C. Subject to the provisions of Section 37.2-512 of the Code of Virginia, the HRHA will assume the entire responsibility and liability for any and all damages to persons or property caused by or resulting from or arising out of any act or omission on the part of the HRHA, its agents and/or employees under or in connection with this Service Agreement while on property owned by the City and used or maintained by Fleet Services or while an agent and/or employee of the HRHA is operating, driving or otherwise using a Loaner vehicle pursuant to the terms and conditions of this Service Agreement. To the extent permitted by law, the HRHA shall indemnify and hold harmless the City and its agents, volunteers, servants, employees and officials from and against any and all claims, losses, or expenses, including reasonable attorney's fees and litigation expenses suffered by any indemnified party or entity as the result of claims or suits due to, arising out of or in connection with (a) any and all such damages, real or alleged, (b) the violation of any law applicable to this Service Agreement, or (c) the performance of the work by the HRHA or those for whom it is legally liable. Upon written demand by the City, the HRHA shall assume and defend at its sole expense any and all such suits or defense of claims made against the City, its agents, volunteers, servants, employees or officials.

D. Subject to the provisions of Section 37.2-512 of the Code of Virginia, the HRHA shall secure and maintain in full force and effect at all times during the term of Service Agreement and, the following policies of insurance:

1. Workers' Compensation Insurance as required under Va. Code Title 65.2.
2. Commercial General Liability Insurance, including contractual liability and products and completed operations liability coverages, in an amount not less than one million dollars (\$1,000,000.00) per occurrence and two million dollars (\$2,000,000.00) aggregate. Such insurance shall name the City of Hampton as an additional insured and shall expressly provide coverage for bodily injury and property damage.
3. Automobile Liability Insurance including coverage for non-owned and hired vehicles in an amount not less than one million dollars (\$1,000,000.00) per accident for liability and bodily injury occurrence and five hundred thousand dollars (\$500,000.00) for property damage.

All policies of insurance required herein shall be written by insurance companies licensed to conduct the business of insurance in Virginia, and acceptable to the City, and shall carry the provision, that the insurance will not be cancelled or materially modified without thirty days (30) prior written notice to the City.

VII. NOTICES

Any notice demand, or request, or change of address by either party hereto to the other shall be deemed to be given if and when deposited in the United States Mail and dispatched by certified mail, postage prepaid, return receipt requested, and (1) in the case of notice or communication to the HRHA is addressed as follows:

Hampton Redevelopment and Housing Authority, Executive Director
1 Franklin Street, Suite 603
Hampton, VA 23669

And (2) in the case of a notice or communication to the City is addressed as follows:

Fleet Services Director, City of Hampton
413 North Armistead Avenue
Hampton, Virginia 23669

With (3) a copy to:

City Manager, City of Hampton
22 Lincoln Street, 8th Floor
Hampton, Virginia 23669

VIII. MISCELLANEOUS

A. It is the intent of the parties that this Service Agreement will not impose upon the City any responsibility other than those outlined herein. The City does not assume by these presents any responsibility or liability whatsoever except as specifically stated herein.

B. If any clause, provision, or section of this Service Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Service Agreement will be construed and enforced as if the illegal or invalid clause, provision or section had not been contained in it.

C. It is understood and agreed between the parties hereto that the City shall be bound and obligated hereunder only to the extent that the funds shall have been appropriated and budgeted for the purpose of this Service Agreement. In the event funds are not appropriated and budgeted in any fiscal year for services and payments due under this Service Agreement, the City shall immediately notify the HRHA of such occurrence and this Service Agreement shall terminate on the last day of the fiscal year for which (an) appropriation(s) (was) were received without penalty or expense to the City of any kind whatsoever.

D. Any waiver by any party of its rights under this Service Agreement must be in writing and shall not be deemed a waiver with respect to any matter not specifically covered therein.

E. This Service Agreement which includes Appendix A embodies the whole agreement of the parties. There are no premises, terms, conditions, or obligations other than those contained herein, and this Service Agreement shall supersede all other previous communications, representations, or agreements, either verbal or written, between the parties hereto regarding this subject matter.

F. This Service Agreement shall be governed by the laws of the Commonwealth of Virginia. Venue for any litigation shall lie in the Circuit Court of the City of Hampton, Virginia.

G. This Service Agreement may not be assigned by either party without the prior written consent of the other party hereto.

H. This Service Agreement may be modified by either party by written notification to the other party hereto at least thirty (30) days in advance. The process for modifying this Service Agreement will be for the party requesting the modification to initiate a change order letter detailing the requested change, the reason for the requested change and its financial impact. In the event that the parties mutually agree to the modification the parties shall execute a written Addendum setting forth such modification.

I. Notwithstanding anything in this Service Agreement to the contrary, this Service Agreement may be terminated for convenience at any time by the City or HRHA with thirty (30) days prior written notice. Upon termination, the City will be paid for any outstanding fees and costs for services performed through the date of termination.

IN WITNESS WHEREOF, the City and the HRHA have caused this Agreement to be duly executed.

CITY OF HAMPTON, VIRGINIA

By: _____

City Manager/ Designee

HAMPTON REDEVELOPMENT AND HOUSING AUTHORITY

By: _____

Executive Director

Approved as to form & legal sufficiency:

City Attorney

Approved as to Content:

Rick Russ, Director of Fleet Services

Approved as to form & legal sufficiency:

Legal Counsel for the HRHA

CITY OF HAMPTON DEPARTMENT OF FLEET SERVICES

FY18 CHARGES FOR SERVICES

Labor:	\$81.50/Hour
Parts Surcharge:	21%
Sublet Fee:	15% of Commercial Charge
Disposal Fee:	7.50/Work Order (Excludes External "lube-only" Work Orders)
Trip Charge (Local) (e.g., off-site fueling, mechanical work):	\$42.00
Fuel Surcharge:	\$0.10/gallon
Oil/Fluids Surcharge:	\$0.0814/quart
Fuel Key Replacement:	\$25.00
Motor Pool	
Sedans:	\$24.00/day (Half-day rentals available)
Vans:	\$40.00/day (Half-day rentals available)
Vans (outside Company rental):	Market price plus \$10.00 handling fee