



Legislation Text

File #: 17-0340, **Version:** 1

Resolution Approving the Terms of a Service Agreement between the City of Hampton and the Hampton Redevelopment and Housing Authority (HRHA) to Provide Fleet Service and Maintenance and Repair of HRHA Vehicles and Authorizing the Execution thereof

PURPOSE/BACKGROUND:

The Hampton Redevelopment and Housing Authority ("HRHA") provides opportunities that revitalize communities, enhance the quality of life and provide a link to housing and self-sufficiency. To carry out this mission, the HRHA uses a fleet of approximately twenty-four (24) vehicles. Understandably, these vehicles must be dependable in order to support its 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 repairs.

Currently, the HRHA contracts its vehicular maintenance and repair services to several vendors. The HRHA wishes to change this fragmented and costly approach to vehicular maintenance and repair services. To that end, the HRHA approached the City of Hampton Department of Fleet Services (an Automotive Service Excellence (ASE) "Blue Seal" vehicle maintenance and repair operation) for possible assistance. After several meetings, the HRHA staff concluded that the Department of Fleet Services is an entity that would focus 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.

The City's arrangement with the HRHA will be a "win-win" in that the HRHA obtains a service provider that understands their needs and will meet such needs effectively, responsively and professionally. Also, the City strengthens its historical support for HRHA's mission and programs. Finally, revenues received from the HRHA that are over and beyond the costs of providing such services will be applied to off-set the maintenance and repair budgets of General Fund departments in the coming years. Finally, the City/HRHA arrangement will not pose negative fiscal impacts to the City in that Fleet's staffing levels are sufficient to perform the needed services.

The attached Service Agreement reflects the terms and conditions that have been agreed upon by both HRHA and City staff. City staff recommends approval of the Service Agreement.

Discussion: See Background Statement

Impact:

N/A

Recommendation:
Approve Resolution

WHEREAS, the City of Hampton (the “City”), provides a full range of transportation related services such as vehicle maintenance and repair services, vehicle leasing services and vehicle fueling services through its Department of Fleet Services in order to support departments in the pursuit of their respective public service delivery missions;

WHEREAS, the Hampton Redevelopment and Housing Authority, (the “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;

WHEREAS, a fleet of dependable vehicles is required in order to operate HRHA programs; therefore, transportation represents a significant cost element for the HRHA;

WHEREAS, 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;

WHEREAS, the City operates an Automotive Service Excellence “Blue Seal” vehicle maintenance and repair shop and a 24-hour/7-day-per-week fueling station;

WHEREAS, the City 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;

WHEREAS, the HRHA desires to pay the City for vehicle maintenance, repair and fueling services on a regular basis; and

WHEREAS, the City intends to support the HRHA’s efforts by servicing, repairing and fueling its vehicles.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Hampton that it approves the terms of the Service Agreement attached hereto and the City Manager or her Authorized Designee is authorized to execute and deliver same to the HRHA.