

**VEHICLE MAINTENANCE MEMORANDUM OF UNDERSTANDING (MOU)
BETWEEN
POLK COUNTY, FLORIDA AND THE CITY OF LAKE WALES**

This Memorandum of Understanding [MOU] is entered into between the Polk County Board of County Commissioners [BoCC] and the City of Lake Wales, Florida [CLW] to provide an agreement for a vehicle maintenance and/or service outline under which the parties agree to mutually conduct their operations. This Vehicle Maintenance MOU will be administered by the Polk County Fleet Management [PCFM] Division.

Polk County Fleet Management Agrees to Provide:

- All labor, parts and outsourced services related to routine, breakdown and/or preventative maintenance. Repairs related to accidents and/or abuse are included but are not within PCFM's basic rate structure.
- Management of accident and/or abuse related repairs in coordination with CLW management personnel.
- Tire maintenance, replacement and/or repairs.
- Service and/or breakdown support, 24 hours/day / 7 days/week.
- Repair and/or maintenance of allied tools, equipment and/or small engine machinery.
- Maintenance reporting thru the current PCFM automated Fleet Management Information System [FMIS].
- Access to and service from all PCFM's network of garage facilities Countywide.
- Repair and/or maintenance of CLW Fire Services, when requested.
- Repair and/or maintenance of CLW owned generators, when requested.
- Repairs to shop equipment owned by the CLW if the failed equipment was rendered inoperative due to PCFM.

City of Lake Wales Agrees to:

- Fully support and encourage the efforts of PCFM among CLW staff.
- Make all vehicles and/or equipment available for routine and/or preventive maintenance.
- Take all necessary steps to protect the vehicles and/or equipment by assuring maintenance and/or repairs are approved in a timely manner.
- Hold employees accountable for unreasonable or unnecessary vehicle/equipment damage or abuse.
- Partner with PCFM in considering and acting on operational changes where such changes will enhance asset protection and/or lower total vehicle and/or equipment costs without compromising response times or services to citizens.
- Provide an adequately maintained, and funded garage facility (e.g. shop, shop equipment, electricity, water, etc.) at CLW's sole expense.
- Remit payment of PCFM invoices on a timely basis (30 days).

Rates:

PCFM has established an annual per vehicle fixed rate schedule to be applied to all vehicles/equipment covered by this agreement (attached as the "Schedule of Rates" (Exhibit A)). Monthly maintenance fees are calculated by dividing the actual total cost of maintenance for the previous eighteen (18) months by 18. This amount then becomes the monthly maintenance fee for the following fiscal year. The monthly maintenance fee is recalculated each fiscal year using the previous eighteen (18) months of data. The monthly maintenance fees are provided as an annual amount but are divided by twelve (12) and invoiced

to CLW on a monthly basis. The Schedule of Rates will cover all repairs and/or routine maintenance (including tires and/or towing) for vehicles and/or equipment with a monthly maintenance fee represented on the Schedule of Rates. The monthly maintenance fee will not cover accident damage repairs, repairs/replacement of windshields or other broken glass, repairs due to driver abuse, vandalism, or acts of God or the towing or tires associated with these types of damages. Charges relating to accident damage repairs, repairs/replacement of windshields or other broken glass, repairs due to driver abuse, vandalism, or acts of God are billed at \$85 per hour of labor and/or parts plus fifteen (15) percent. If an outside vendor is used, CLW will be charged at PCFM's actual cost plus fifteen (15) percent. If CLW opts to not pay a monthly maintenance fee on a specific vehicle or equipment, then all services will be billed at \$85 per hour of labor and/or parts plus fifteen (15) percent for that vehicle/equipment.

Because PCFM cannot validate the current condition or past maintenance of CLW vehicles and/or equipment not covered by the existing MOU during the previous eighteen (18) months, all related expenses incurred above the annual fixed rate shown on the Schedule of Rates will remain the responsibility of CLW for the initial twelve (12) month period in which a vehicle/equipment is covered by the MOU. These costs will be invoiced to CLW at the conclusion of the year. For new vehicles (one ton or less) the monthly maintenance fee will be \$30 per month until the vehicle has been in service for twenty-four (24) months. At the twenty-four (24) month point the monthly maintenance fee will be based on PCFM's experience with other vehicles of the same class and model year until an additional twenty-four (24) months of maintenance expenses are recorded on the specific vehicle. At that time the monthly maintenance fee will be calculated based on actual data on the specific vehicle for the previous eighteen (18) months. For vehicles and/or equipment greater than one ton, the monthly maintenance fee will be based on PCFM's experience with other vehicles of the same class and model year until twenty-four (24) months of maintenance expenses are recorded on the specific vehicle. At that time the monthly maintenance fee will be calculated based on actual information for the previous eighteen (18) months.

Mutual fiscal accountability and stewardship are critical elements in the success of this City/County partnership. Because municipal fleets typically retain vehicles and/or equipment longer than County fleets, the assessment of a fixed monthly rate has inherent risks. PCFM cannot anticipate and subsequently establish rates high enough to cover the full spectrum of repairs that may occur on a mature vehicle whose market value is depressed due to age. CLW should actively participate in repair decisions where repair costs may exceed the vehicle/equipment's market or book value. CLW and PCFM agree to consult and mutually concur, in advance, on the most expeditious and financially responsible course of action when these cases arise. In these specific cases, should it be determined that repairing the vehicle/equipment is the most advantageous course of action for CLW, the repairs costs related to that specific instance will be CLW's responsibility and will be completed only with the prior approval both of the repair and the cost by the appropriate CLW official.

Payment:

CLW will remit payment to the County on a NET 30 day term. Both parties in advance of payment must mutually agree to any deduction.

Year End Settlement:

After the initial period beginning 10/1/2020 thru 9/30/2021, and at the conclusion of each successive twelve (12) month period, PCFM will provide a detailed accounting of its actual cost as compared to the

monthly maintenance fees assessed. If the monthly maintenance fees assessed to CLW exceed the actual repair cost incurred by PCFM the difference will be split equally between CLW and PCFM. The settlement represents fixed fee assets only. Charges assessed due to accident damage repairs, repairs/replacement of windshields or other broken glass, repairs due to driver abuse, vandalism, or acts of God or the towing or tires associated with these types of damages, are excluded.

Reporting Relationships:

- PCFM and CLW will maintain an open dialog at least one management tier above the foreman level utilizing the PCFM Director and a designated management level staff member from CLW.
- The PCFM Director or his designate will meet periodically with CLW senior management staff to promote open communication and assure service levels are satisfactory or better.

Information System:

CLW will maintain both the hardware and software systems required to assure full access and daily functionality of their system. PCFM will be responsible for any damage to the hardware that may occur due to PCFM.

Term:

The initial term of this agreement is for twelve (12) months beginning 10/1/2020 and concluding 9/30/2021. Upon mutual agreement to extend this agreement at least 60 days prior to the conclusion of each twelve (12) month term thereafter, the agreement will automatically renew for an additional twelve (12) months.

Termination:

Either party may cancel this agreement by providing 60 days written notice of their desire to cancel, to the other party. Upon termination, any outstanding charges will be remitted to PCFM as agreed. PCFM will be allowed to retrieve any tools and/or equipment owned by PCFM. The tools and/or equipment owned by CLW will remain in the shop facility.

Statement of Mutual Cooperation:

Both parties agree this MOU represents a partnership between the CLW and PCFM and as such circumstances may arise that are not covered by this agreement. Should that occur, both parties agree to negotiate in good faith and in the spirit of mutual cooperation to resolve matter not provided in this MOU.

Summary Statement of Commitment:

PCFM and CLW fully understand the critical nature and spirit of this memorandum and realize this document is not designed to cover all situations that may occur. PCFM recognizes the critical nature and importance of the mission of the CLW and agrees to work diligently to assure that missions are not compromised by a lack of vehicle availability. CLW recognizes the importance of vehicles and equipment to the accomplishment of their mission and agrees to fully support PCFM in every reasonable way to assure no impediments are intentionally placed in the way of Fleet's mission of service and support.

[Signature]
Chairman – Board of County Commissioners

Date: 10/6/2020

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Witness

P.56



[Signature]
City of Lake Wales

Date: 9/11/2020

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Witness