



Report on Evaluation of Fleet Maintenance Proposals

Rowan County

November 3, 2021

INTRODUCTION

CST Fleet Services, based in Clemmons, NC, was engaged to assist Rowan County solicit proposals for fleet maintenance and management services. The scope of this engagement included preparing a Request for Proposals (RFP), identifying vendors to send the RFP to, participating in the pre-proposal process, and evaluating responses to the RFP. This report focuses on this last task of evaluating proposals.

Proposals were received by three companies in response to the RFP:

- Enterprise – a car rental and leasing company headquartered in St. Louis
- First Vehicle Services – the largest provider of on-site fleet maintenance services in the United States headquartered in Cincinnati
- Vector Fleet Management – a well know provider of on-site fleet maintenance services headquartered in Charlotte

EVALUATION OF TECHNICAL PROPOSALS

After closely reading the responses to the County’s RFP we have concluded that First Vehicle Services and Vector Fleet Management submitted responsive proposals while Enterprise failed to meet the requirements of the RFP. Enterprise states on page 9 of their proposal that “Enterprise Fleet Management cannot maintain vehicles at the County facility”. As this was a key requirement of the RFP, we must conclude that Enterprise does not meet the requirements of the RFP and should be excluded from consideration.

Enterprise did offer to partner with Vector Fleet Management to provide these services, but since Vector also submitted an independent proposal, we see no value in asking Enterprise to submit an alternative proposal that includes on-site services. Enterprises’ approach would be to manage the County’s maintenance through their network of vendors, which are principally national account shops such as Jiffy Lube, Firestone, Pep Boys, and Goodyear. It is clear that Enterprise is mainly interested in having the County lease vehicles from the company and then pay an all-encompassing fee for having the vehicle and for maintenance. Again, this approach is not compliant with the intent of the County’s RFP.

In the paragraphs below we provide evaluations of First Vehicle Services (hereafter FVS) and Vector Fleet Management’s (hereafter Vector) proposals.

FVS Technical Proposal

FVS is well versed in providing the services requested by the County. With their predecessor company, Ryder Managed Logistics, FVS has been providing on-site maintenance and fleet management services since 1981 and has 85 current clients. FVS demonstrated a thorough understanding of the County’s objectives including improving fleet program performance and controlling fleet costs. The company provided specific examples of how it would improve fleet program service levels including ASE and EVT certified technicians, an on-site management team supported by industry experts, a total quality management program, provision of a proprietary fleet management information system, and automated PM schedule tracking.

FVS responded to each section of the County’s RFP and did not take any exceptions. Highlights of their response include:

- An in-depth understanding of the fixed price (target) and fee for service (non-target) concepts that underline the RFP
- A comprehensive PM program

- Use of industry leading technology for diagnosing vehicle issues (scan tools and on-line subscriptions)
- Significant experience with law enforcement and emergency vehicles
- Significant experience with transit vehicles
- National account pricing for repair parts
- A dedicated team to upfit emergency vehicles (from their sister company First Mobile Services)
- A complete suite of management services
- An industry leading management information system (a proprietary version of the EAM maintenance management system)
- ISO and Lean Six Sigma management programs
- A comprehensive approach to hiring and training staff for the County's project

We rate FVS' technical proposal as excellent overall all with 94 out of 100 points according to the following matrix:

AREA	SCORE	COMMENT
1. Compliance with RFP requirements	10	All areas responded to, no exceptions
2. Qualifications	10	Largest firm of its type in the country
3. Industry Experience	10	40 years of experience
4. Stability	8	Sold by First Group to a private equity firm in 2021
5. Approach to maintenance services	10	Comprehensive approach with focus on PM services, excellent use of technology
6. Approach to management services	10	Agreed to all areas in the RFP including coordinating replacement panning, title/license work, and disposals
7. Computer system	8	Dedicated system with extensive functionality including dashboards with KPIs. However, the system is proprietary to FVS so the County could not purchase a version for succession contracts
8. Emergency vehicle experience	10	Significant experience with law enforcement and emergency fleets
9. Transit vehicle experience	8	Substantial experience with transit fleets
10. Approach to hiring, training, safety, environmental compliance	8	Comprehensive approach. Project manager was not specifically identified however.
TOTAL SCORE	92	Excellent

Vector Technical Proposal

Vector is a well-known fleet maintenance company that has been providing on-site contract services since 1988. The company has a distinct advantage being headquartered in Charlotte, a short 60-minute drive from Rowan County.

Vector responded to each section of the County's RFP and did not take any exceptions. Highlights of their response include:

- Demonstrated a complete understanding of the fixed price (target) and fee for service (non-target) concepts that are foundational to the RFP
- A comprehensive PM program
- Use of industry leading technology for diagnosing vehicle issues (scan tools and on-line subscriptions)
- Significant experience with law enforcement and emergency vehicles
- Significant experience with transit vehicles
- Relationships with national vendors for repair parts
- Experience upfitting emergency vehicles (from several contracts with Sheriff Departments)
- A complete suite of management services
- A solid management information system (a non-proprietary version of the TMT maintenance management system from Trimble Systems)
- A comprehensive approach to hiring and training staff for the County's project

We rate Vectors' technical proposal as Very Good overall all with 89 out of 100 points according to the following matrix:

AREA	SCORE	COMMENT
11. Compliance with RFP requirements	10	All areas responded to, no exceptions
12. Qualifications	9	Not as large as FVS but still has substantial experience and contracts
13. Industry Experience	9	20+ years of experience
14. Stability	9	Privately held, in business since 1988
15. Approach to maintenance services	9	Comprehensive approach with focus on PM services. Excellent use of technology, dashboards, and communication protocols
16. Approach to management services	9	Agreed to all areas in the RFP including coordinating replacement panning, title/license work, and disposals
17. Computer system	10	Dedicated system with extensive functionality including dashboards with KPIs. System is not proprietary so the County could purchase a version for succession contracts or internal use
18. Emergency vehicle experience	8	Very good experience with law enforcement and emergency fleets
19. Transit vehicle experience	8	Good experience with transit fleets
20. Approach to hiring, training, safety, environmental compliance	8	Met expectations but not as well-rounded approach as FVS. Project manager resume

		was provided. Proposed manager has excellent qualifications.
TOTAL SCORE	89	Very Good

EVALUATION OF COST PROPOSALS

In this section we provide a comparison and evaluation of the cost proposal submitted by FVS and Vector.

FVS Cost Proposal

FVS was recently acquired from First Group (a UK based transportation services company) by EQT (a private equity firm with a portfolio of more than 400 companies with \$40 billion in assets). We believe this acquisition bolsters FVS' position as the largest provider of on-site fleet maintenance services and should not cause the County any concerns regarding the company's financial stability.

FVS' proposed cost for three years is summarized in the following table:

ITEM	AMOUNT
Transition cost	\$47,153.56
First year target services	\$954,468.00
Total first year cost	\$1,001,621.56
Three-year target services	\$2,883,341.00
Total three-year cost	\$2,930,494.56
Cost per VEU per year (552.5 VEUs)	\$1,768
Total staff positions	6
Mechanic staff positions	4

In our opinion, FVS' proposed cost is high for the services requested in the RFP. The County's is relatively new for primary vehicles (i.e., law enforcement, ambulances, transit) and most vehicles do not accumulate high mileage each year. The proposed cost per VEU of \$1,768 is high compared to other government fleets we have worked with and should be closer to \$1,200.

The high cost is driven, in large part, to high staffing levels. FVS has proposed 4 mechanics and two administrative staff. It is our opinion that 2 to 3 mechanics and 1 administrative/supervisory staff is sufficient to fulfill the scope of work. FVS also has high corporate costs and overhead when compared to Vector.

Vector Cost Proposal

Vector is an independent privately held company. We believe this acquisition bolsters FVS' position as the largest provider of on-site fleet maintenance services and should not cause the County any concerns regarding the company's financial stability.

Vector's proposed cost for three years is summarized in the following table:

ITEM	AMOUNT
Transition cost	\$17,250

First year target services	\$723,345.92
Total first year cost	\$740,595.92
Three-year target services	\$2,224,740.78
Total three-year cost	\$2,241,990.78
Cost per VEU per year (1,154 VEUs)	\$648
Total staff positions	4.5
Mechanic staff positions	2.5

The cost proposed by Vector is more in-line with other contract costs we have seen in the industry. We still believe that staffing is one position high, and that one manager could provide the required fleet administration services and oversee 2.5 mechanics.

Vector's proposed cost per VEU of \$648 is lower than we would expect, and this is driven by the high number of total VEUs Vector used in its calculations. The cost per VEU would be \$1,353 if FVS' VEU count of 552.5 were used instead. This cost would be even more competitive (around \$100 per VEU less) if staffing is reduced by one position.

Scoring

On a 100-point scale Vector is allotted 100 points as the low-cost offer. FVS receives proportionally fewer points (24%) based on their higher bid – or 76 points.

RECOMMENDATIONS

FVS' price for three years is \$688,504 higher than that proposed by Vector. While FVS' technical proposal and qualifications were rated slightly higher than those of Vector, this small difference is not enough in our view to justify the increased cost.

Vector also can offer the County a better management information system and its close proximity to the Salisbury offers the prospect of high levels of management attention and customer service. Overall, Vector received 189 points in our evaluation and FVS received 169. Consequently, it is our recommendation that Rowan County proceed to contract negotiation with Vector as the lowest responsive and responsible proposer.

In negotiating with Vector, the County should seek to:

- Have Vector reduce staffing by one administrative position
- Have Vector reduce its price accordingly
- Have Vector use the FVS count of VEUs and recalculate cost per VEU according to the new adjusted price