

REPORT

To the Honorable Mayor and City Council
From the City Manager

June 5, 2006

Subject

Vehicle Maintenance Services for the City of Foster City, Town of Atherton, San Mateo County Narcotics Task Force, and Town of Woodside.

Recommendation

1. By Motion, approve Amendment No. 1 to the agreement with the City of Foster City to increase the hourly labor rate from \$95.21 to \$106.21 to cover all salary, administrative, overhead and operating costs.
2. By Motion, approve Amendment No. 3 to the agreement with the Town of Atherton to increase the hourly labor rate from \$95.21 to \$106.21 to cover all salary, administrative, overhead and operating costs.
3. By Motion, approve Amendment No. 4 to the agreement with the San Mateo County Narcotics Task Force to increase the hourly labor rate from \$95.21 to \$106.21 to cover all salary, administrative, overhead and operating costs.
4. By Motion, approve Amendment No. 4 to the agreement with the Town of Woodside to increase the hourly labor rate from \$95.21 to \$106.21 to cover all salary, administrative, overhead and operating costs.

Background


The City of Foster City, Town of Atherton, San Mateo County Narcotics Task Force, and the Town of Woodside have existing vehicle maintenance agreements with Redwood City's Equipment Services Section of the Public Works Services Department. Currently, the labor rate for service is \$95.21 per hour for motorcycle, vehicle and equipment repair. Due to increased operating costs, staff proposes an adjustment in the labor rate for all maintenance and repair services to \$106.21 per hour. The City of Foster City, Town of Atherton, San Mateo County Narcotics Task Force, and the Town of Woodside, have all been notified of this new labor rate and agree to the increase. The effective date will be July 3, 2006.

Alternative

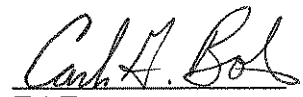
Do not authorize the labor rate increase and keep the labor rate as is. Net loss in revenue to the City is estimated to be approximately \$7,500 per year.

Fiscal Impact

The revenue generated from external vehicle maintenance contracts has been approximately \$100,000 annually and is projected to be between \$120,000 to \$130,000 in FY 2006/07. This revenue is used to completely offset the direct and indirect costs of providing service to outside agencies.


Larry Barwacz
PW Superintendent


Peter Ingram
Director, Public Works Services

 For
Ed Everett
City Manager

Attachment

None.