

SUPPLEMENT B
DEPARTMENT OF BUDGET AND MANAGEMENT
ACTION AGENDA

SERVICES CONTRACT

ITEM: 11-S **Agency Contact:** Larry Williams
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DEPARTMENT/PROGRAM: Budget & Management (DBM)
Fleet Management Office (FMO)

CONTRACT ID: Maintenance and Repair Services for State Owned
Vehicles
ADPICS NO. 050B1400025

CONTRACT DESCRIPTION: Contract to provide Statewide vehicle maintenance and repair services via a network of local vendors for State-owned cars, light trucks, vans and medium and heavy-duty trucks not covered by in-house maintenance and repair facilities. The contract also provides an accident management program to manage reporting and repair of all vehicle accidents and vandalism claims by participating State agencies.

AWARD: PHH Arval, Inc.
Sparks, MD

TERM: 8/11/2011 – 9/30/2016

AMOUNT: \$46,000,000 Est. (5 Years)
(See Requesting Agency Remarks below)

PROCUREMENT METHOD: Competitive Sealed Proposals

BIDS OR PROPOSALS: See Attachment

MBE PARTICIPATION: 0% (See Requesting Agency Remarks below)

INCUMBENT: ARI, Inc.
Mt. Laurel, NJ

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ITEM: 11-S (Cont.)

REQUESTING AGENCY REMARKS: A notice of the availability of the Request For Proposals (RFP) was advertised on the *eMarylandMarketplace.com* and DBM web sites. Copies of the solicitation notice were mailed directly to six prospective vendors, one of which is a Maryland firm, and included no MBEs. A copy was also sent to the Governor's Office of Minority Affairs.

Five offers were received for this contract. One offeror requested to withdraw its offer prior to oral presentations. The remaining four were determined to be reasonably susceptible of being selected for award (see Attachment). PHH Arval, Inc. (PHH) was ranked #2 technically and had the lowest price. The #1 technically ranked offeror had the third lowest price. Financial factors were given greater weight than technical factors in the overall award determination. Therefore, PHH is recommended for the award of this contract as providing the most advantageous offer to the State.

The contract for which approval is being requested will continue to provide access to a repair and maintenance service network of national and local Maryland vendors for servicing State-owned cars, light trucks, vans and medium and heavy-duty trucks. It also provides for an accident management program to manage reporting and repair of all vehicle accidents and vandalism claims by participating State agencies. The term dates include a seven week transition period from the incumbent to the new Contractor.

The State owns approximately 8,700 vehicles; of this number, approximately 5,400 currently participate in the maintenance program. The approximately 3,300 remaining vehicles are maintained using State-owned repair facilities.

The requested \$46,000,000 approval amount of this item is estimated. Approximately \$43,560,000 of this amount is estimated to be reimbursements for the actual cost of maintenance and repairs to State vehicles by participating facilities. The financial offer in the Attachment was based upon a model in the RFP for evaluation purposes for a five-year period for administrative fees. The administrative fees for this contract are estimated to be \$2,440,000. The contractor will be paid a fixed per-vehicle, per-month fee for vehicle maintenance and fixed-incident fees for towing and accident occurrences.

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No MBE goal was established for this contract because State agencies control which repair facility a vehicle is taken to. There is no direct contractor/subcontractor relationship between the recommended contractor, PHH Arval, Inc. (PHH) and the repair facilities.

FUND SOURCE: Various

APPROP. CODE: Various State Agencies

RESIDENT BUSINESS: Yes

MD TAX CLEARANCE: 11-1643-0110

Board of Public Works Action - The above referenced Item was:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION

ITEM: 11-S (Cont)

ATTACHMENT

BIDS OR PROPOSALS (Cont):

<u>Offerors</u>	<u>Tech. Rank</u>	<u>Five Year Financial Offer (Rank)*</u>	<u>Overall Rank**</u>
PHH Arval, Inc. Sparks, MD	2	\$2,437,500 (1)	1
LeasePlan Alpharetta, GA	3	\$2,587,550 (2)	2
Automotive Rentals, Inc. Mt. Laurel, NJ	1	\$2,993,750 (3)	3
All Star Fort Worth, TX	4	\$3,927,000 (4)	4

Note: * The financial offer was based upon a model in the RFP of administrative fees for a five year period.

** Financial factors had greater weight than technical factors in the overall award determination.