

EXECUTIVE SUMMARY



To: Jim Scholl, City Manager
From: Myra Wittenberg, Manager, KWDoT
Date: July 2, 2010
Subject: Resolution Approving Exemption of Purchasing Ordinance

Action Statement:

KWDoT is requesting resolution of approval for exemption from the sealed bid requirement under the Code of Ordinances, Section 2-796 and 2-797 (4) (b) (exemptions), to allow for purchase of exterior vinyl bus wraps and installation service of vinyl bus wraps from Expose Yourself USA, Inc., in the amount of \$31,350.00.

Project History:

The City of Key West Department of Transportation initially budgeted an estimated cost to perform exterior refurbishment to half of the aging fleet of City buses, or eight (8) of the fifteen (15) bus units in the transit fleet. Initial exterior paint quotes soon proved to be cost prohibitive with prices ranging from \$8,000.00 to \$12,000.00 per bus. KWDoT then explored the option of vinyl wrap work in lieu of painting and received three (3) vendor quotes as shown below here - which proved to be much less costly and led us to secure a purchase order in an amount not to exceed \$17,000.00, for the first eight (8) buses. Those first eight (8) buses are nearly complete as of the date of this summary.

Price quotes (8 buses):

Expose Yourself USA, Inc.	\$ 2,090.00 / unit
The Graphics Department, Inc.	\$ 3,670.00 / unit
US Coachways, Inc.	\$ 5,690.00 / unit

In light of the fact that the prices came in so low and the fact that KWDoT has sufficient budget to purchase the vinyl wrap service on the remaining seven (7) buses in our fleet rather than wait until next budget year to do so - we are asking that the City's purchasing ordinance requirement be waived and approved by the commission at this time for exemption from the sealed bid requirement under Section 2-796 and 2-797 (4) (b) (exemptions) which read as follows: "If in the opinion of the City Manager exceptional circumstances exist to exempt a purchase from the competitive bid requirements of this subdivision for the best interests of the City, he shall place a resolution before the city commission for approval of such exemption".

Further, to assure that the prices received on the first eight (8) buses were current price quotes to complete this project, KWDoT requested an update to the original price quotes and received the following:

Price quotes (7 buses):

Expose Yourself USA, Inc.	\$ 2,090.00 / unit
The Graphics Department, Inc.	\$ 3,639.00 / unit
US Coachways, Inc.	\$ No Bid

Option #1:

Option #1 would see the City approve the resolution to authorize purchase of exterior vinyl bus wraps services in fiscal year 2010 in an amount exceeding \$20,000.00, for a total expenditure of \$31,350.00, to Expose Yourself USA, Inc.

Advantages

Advantages of Option #1 are that the City can save a minimum of \$1,549.00 per vehicle, based on price quotes received, when comparing the vinyl wrap vendor quotes. If we compare the painting quotes - we stand to save in excess of \$5,900.00 per unit or bus by taking advantage of the price quote from Expose Yourself USA, Inc.

Another advantage is that statistics provided by the American Safety Council indicate passengers as well as drivers tend to have less incidents or accidents in vehicles that are clean and visually pleasing than those that are not. Additionally, as a public provider and municipal government agency, we care about our appearance and the message that our vehicles send to the public, daily.

Disadvantages

There are no disadvantages to option #1.

Fiscal Impact

The fiscal impact, all is budgeted and approved, a total annual expenditure of \$ 31,350.00

However, to carry the thought process a little further - if we succeed on providing a safer and cleaner looking vehicle for the public (via the vinyl exterior project) results may include increased ridership and revenue. That is one of the goals with mid-life refurbishment projects.

Option #2:

Option #2 would be that the City does not approve the resolution as requested this fiscal year, and not complete the exterior vinyl bus wrap project at this time.

Advantages

The City would not spend an additional \$14,630.00 for the last seven (7) buses to be wrapped this fiscal year to complete the project resulting in the need to budget those funds in 2011.

Disadvantages

By not approving this resolution KWDoT will be required to solicit additional price quotes after October 1, in the 2011 budget year which most likely will result in less favorable price quotes per bus. Bottom line is the project will cost more to complete in 2011.

Not having uniform and consistent fleet design on the City buses creates havoc for the customer and negative messages as well as uncertainty for the drivers.

Fiscal Impact

The City would save \$14,630.00 in FY 2010 budget - but as stated above, it is budgeted and approved as expenditure in FY 2010.

Recommendation:

KWDoT recommends Option #1, as noted above.