



Police Department

Arthur L. Jones
Chief of Police

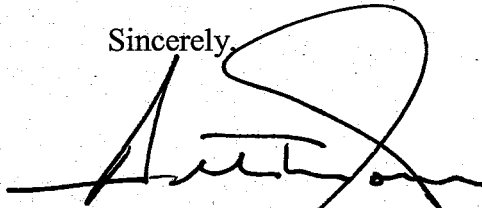
March 25, 2002

Honorable Members of the Finance and Personnel Committee
Milwaukee Common Council
200 East Wells Street
Milwaukee, WI 53202

Dear Members:

Transmitted herewith is a resolution requesting approval to proceed with competitive bidding on auto brake repairs and replacement. A report on a proposed pilot project for outsourcing auto brake repair and replacement services is attached also. This report embodies a request to proceed with competitive bidding, pursuant to file 990089. The Police Department respectfully requests your approval of our pursuit of lower cost alternatives for this portion of our car repair expenses.

Sincerely,



ARTHUR L. JONES
CHIEF OF POLICE

MILWAUKEE POLICE DEPARTMENT

March 25, 2002

To: Milwaukee Common Council
Re Competitive Pricing of Brake Repairs on Police Vehicles
From Gordon G.Gregg, Building and Fleet Maintenance Manager

REPORT

Purpose

The purpose of this report is to comply with Common Council file 990089, a resolution relative to outsourcing or privatizing of City services.

The Milwaukee Police Department (MPD) intends to ensure that taxpayers pay the lowest cost possible for services related to vehicle maintenance. MPD also intends to acquire these services in the most timely manner possible, in order to ensure officers and citizens the safety of a reliable squad car fleet.

Request to Proceed with Competitive Bidding

MPD proposes a pilot program in which they would solicit separate competitive bids, for the service of brake related work on all makes and models of Police vehicles. By utilizing the City's competitive contracting processes, the City can ensure that taxpayers get the best value for their tax dollars. The proposed bids would require a turnaround time of one business day.

Competitive bidding is expected to save the Milwaukee Police department at least one third of its present cost for brake repairs. (this figure is derived from a case study which was done comparing DPW charges to Dealerships and Service Center comparative pricing) with no change in the level or quality of service provided, and no impact on City employees or their positions.

Background: Brake related work on Police vehicles

The Municipal Garage run by DPW- Buildings and Fleet issued 610 brake related work orders in a twelve month period with an associated cost of \$177,858.19. (these figures were provided to the MPD by DPW) Turn around time are often excessive because City auto mechanics are not held to automotive standards which governs time related to each automotive repair. Sixteen (16) individual brake orders from this group were compared for parts and labor to that of several independent dealerships. By outsourcing these 16 vehicles the MPD could save approximately one third of its current charges, and have the vehicles back in-service 60% sooner. The Municipal garage has the authority to out-source work by initiating a service order. In one twelve month period the Municipal

garage. issued 276 service orders to one dealership alone, for mechanical work, which included 20 brake related service orders.

Reasons for Pursuing Competitive Bidding

The reasons for this proposal are to shorten time required to do brake repairs, and to lower the cost to the City of doing so. An inspection of all brakes should be done periodically to reduce major repair costs due to excessive wear. Brakes could be inspected every three thousand miles at the same time the vehicles are sent in for an oil change and lubrication. The MPD currently out-sources all oil changes and this contract is presently up for bid. We propose that the lubrication and brake work be combined as a package. The Buildings and Fleet Division, like all City agencies, has fixed staffing levels set in the annual budget. This fixed level of staffing makes it difficult to accommodate fluctuating workloads, thus vehicles are held on the lot until a mechanic becomes available. The only two options Buildings and Fleet has for getting the Police vehicles out in a timely manner is to authorize overtime which is added to MPD billing or issue a service order and out-source the work. Contracting with a private vendor is less expensive to City taxpayers because private vendors can do the work on "straight" time, whereas Buildings and Fleet would have to incur overtime costs at some point, to absorb the one-time load.

Current Level of Service and Costs

Based on a random selection of fourteen squads worked on by Buildings and Fleet earlier this year, labor charges were for 67.1 hours as compared to the Ford Motor Manual which required 37.0 hours to do the same work.

Projected Cost Savings

Most police agencies in suburban Milwaukee County contract with private firms to have automotive repairs made. In order to address quicker turn around times and avoid overload delays caused by staffing shortages the MPD must take advantage of the recommended auto repair times set by automotive publications. We estimate that this venture will result in a savings equivalent to one third of the current charge.

Anticipated changes In Service Level and Quality

Buildings and Fleet does not have the opportunity to do periodical inspections on squads. Brake work is usually performed when other work is required. The MPD envisions inspections done every three thousand miles when oil changes are performed, therefore preventing costly brake repairs.

Specific City Positions Affected

As mentioned in the Background section, above, automotive repairs are being out-sourced continually by the Buildings and Fleet Division. 276 service orders for automotive repairs were issued to Braeger Ford alone. Daily out of service reports indicate automotive work being out-sourced to Best Ford, and Engine and Transmission Exchange. If a private firm wins the proposed competitive bids, the only impact on Buildings and Fleet will be the reduction of backlogs in regular repair and maintenance of all other City vehicles and equipment.

A letter should be sent to the Executive Director of Milwaukee District Council 48, the union with which the Buildings and Fleet mechanics are affiliated, stating "there will be no layoffs anticipated as a result of this contracting out"

It should be noted, of course, that Buildings and Fleet may win the contract by providing the lowest bid on the services as specified.