

Department of County Assets



Strategic Sourcing, Procurement and Contract Administration

To: Brian Smith, DCM Purchasing Manager

From: Sherry Swackhamer, DCA Director *SS*

Date: March 28, 2017

Re: PCRB 47-0275 Exemption for Department of County Assets Fleet Services
Downtown CarShare Pilot Project with Enterprise Holdings, Inc.

ACTION REQUESTED:

The Director of the Department of County Assets requests Purchasing Manager approval of a temporary formal exemption from the procurement process for the expansion of a pilot project with Enterprise Holdings, Inc., as allowable under 47-0275. The term of this exemption would be two years from May 8, 2017 through May 7, 2019. Total value of expenditures under this project is estimated to be up to \$1,000,000 for the two year period.

ANALYSIS:

The Department of County Assets Motor Pool Division intends to continue its operation under and expand on a limited pilot project that is already underway in order to maintain vehicles as necessary to meet the short-term transportation needs of those Multnomah County employees working downtown. The County previously determined that obtaining and maintaining a County-owned fleet of vehicles in a downtown location is neither feasible nor cost effective due to the costs of maintaining, parking and assuring access to vehicles which are used during the day but must be stationed around the clock in the downtown area. Enterprise Holdings has been willing to work with the County through their standard CarShare program in order for the County to pay for only the cars being used, while they are being used, under an hourly rental program.

Original plans for the program intended to transition the procurement authority for the program to a known cooperative arrangement with the State of Oregon once it was determined that the pilot solution was operational long term. However, legal protections under the State's cooperative arrangement have since been found to require improvements. These legal improvements involve important liability issues that were not sufficiently protected and are not unique to the pilot project. The County has been working with the vendor, the State and NASPO interests to negotiate the issues since the fall of 2016. It is becoming increasingly clear that the complexities introduced by considering the needs of all the parties in negotiation will be more time consuming and may take perhaps a year or more. Nevertheless, it has become

apparent that it is in the best interest of the County to make use of vehicles through this partner for a longer term.

BACKGROUND:

Due to changing circumstances at the downtown facility that housed the motor pool storage and parking, the County implemented an alternative service option for the downtown employee fleet needs in the form of a flexible hourly rental vehicle pilot project. Other providers were reviewed and considered, but only Enterprise had an hourly flexible rental service that could be adapted to County motor pool specifications. A 2017 assessment of similar vehicle and service resources for downtown is attached.

Enterprise currently provides long term car rentals for the County under a cooperative contract with the State of Oregon through the National Association of State Procurement Officers (NASPO) cooperative consortium. Their cooperative contract has the hourly rental product included as a service. It was the goal of the original pilot project to transition into the NASPO cooperative contract once it was determined that the project would be successful enough to expand. However, after close analysis of the cooperative contract terms, it was discovered that there was a major employee personal liability issue and an Oregon Tort Claims loophole that was not addressed sufficiently in the NASPO cooperative contract. This would leave the County and its employees at increased risk.

Fortunately, the State and Enterprise are cooperating in negotiating new language that will remedy these issues. Because of the complex relationships of the State of Oregon and NASPO and the time involved, progress on those language changes has been moving very slowly, even with the shepherding and assistance of our own County Attorney's Office, who has been working with the issues since last fall.

The NASPO contract that was originally executed is not yet sufficient to support the continued operation beyond the pilot project and is being negotiated with the State and NASPO. Limitations in timing and resources will require the County to move forward under the existing pilot project agreement to obtain services in order to maintain this resource as it is fully developed to meet the needs of downtown employees requiring flexible, available transportation options.

If you have any questions regarding this request, or would like more information about the terms of the cooperative contract or the status of the negotiations through the State, please feel free to contact me or the assigned Contract Specialist, Alicia Boris, at x87585.