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September 12, 2024

*Via Email*

*And First Class Mail*

Ms. Stephanie De La Rosa  
Clerk  
State of Rhode Island  
Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

**RE: *City of Newport, Utilities Department, Water Division – Docket 24-30-WW***

Dear Ms. De La Rosa:

Enclosed please find an original and nine copies of the following:

1. The City of Newport, Utilities Department, Water Division's response to the Rhode Island Division of Public Utilities and Carriers' Data Requests (Set 4).

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough, Jr.

Enclosures

cc: Service List (via email)

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 24-30-WW  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The State of Rhode Island  
Division Of Public Utilities And Carriers'  
Data Requests  
Set 4

**Div. 4-1:** Please provide a breakdown of estimated rate case expenses for this proceeding. Also, provide the amortization period used in the filing along with the reasoning for the amortization period selected.

**Response:** Newport Water does not have a current estimate of what the rate case expense will be in this proceeding. The final rate case expense depends on a number of factors including rate case expense incurred by the Division. Typically, the rate case expense is determined at the end of the Docket once all the expenses are known. The amortization usually extends over the length of the multi-year increase, which in this case is four years.

**Prepared by:** Harold Smith and Robert C. Schultz, Jr.

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Data Requests  
Set 4

**DIV 4-2:** Refer to the attachment to the response to COMM 1-1. Please explain what the color codes for the Executive Assistant; Special Projects Assistant; Deputy Director – Engineering; Utility Locator / Loss Prevention Technician; and Utility Operator 1-4 mean.

**Response:** Please find the color code key below:

**Purple Border** - corresponds to partial allocation of Water Pollution Control and Water Enterprise Funds.

**Yellow shading** - at the time the organizational chart was created, Newport was in the process of hiring for this position, and this position has now been filled.

**Pink shading** - represents the fact that at the time the organizational chart was created these positions were open, but Newport was in the process of trying to fill them. Since that time, the Executive Assistant position has been filled, and Newport is still trying to fill the remaining pink shaded positions.

**Red Shading** - corresponds to an extended vacancy and a limited applicant pool.

**Prepared by:** Robert C. Schultz, Jr.

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**DIV 4-3:** Refer to the attachment to the response to COMM 1-2. Please show the calculation of the FTE. Specifically, explain how there can be .6 or .5 FTE as in the additional 3.6 FTE in 2025 and the authorization of 50.5 FTE.

**Response:** The 60/40 Water Fund/Water Pollution Control Fund allocation and the single principal account Clerk allocation of 50/50 were established in previous dockets (see response to Div. 4-4). This results in a .6 or .5 FTE. In addition, please see attached.

**Prepared by:** Robert C. Schultz, Jr.

**Div. 4-3 Attachment**

<b>Personnel Classification</b>	<b>2025 Proposed FTE</b>
General Manger / Director of Utilities	0.6
Executive Assistant	0.6
Special Projects Assistant	0.6
Deputy Director - Engineering	0.6
Supervisor Distribution & Collection	1
Distribution & Collection	2
Heavy Equipment Operator	1
Distribution & Collection Mechanic	3
Distribution & Collection Operator	5
Laborer	1
Utility Operator I, II, III, IV	2
Water Meter Foreman	1
Maintenance Mechanic (Meters)	1
Meter Reader Repairman	3
Water Treatment Superintendent	1
Assistant Water Treatment Superintendent	1
Laboratory Supervisor	1
Microbiologist	1
Treatment Operator	17
Asset Manager - Scheduler	0.6
Utility Locator / Loss Prevention Technician	0.6
Utilities Engineer	0.6
Engineering Technician	2
Deputy Director - Finance	0.6
Financial Analyst	0.6
Parts & Inventory Control technician	0.6
Principal Account Clerk	1
Principal Account Clerk	0.5
<b>Water Fund Total</b>	<b>50.5</b>

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**Div. 4-4:** Refer to the attachment to the response to COMM 1-3. Please provide the studies used to determine the 60% Water Division and 40% Water Pollution Control Division cost allocation.

**Response:** The 60%/40% allocation had been approved by the Commission in Dockets 3675 (2005) and 4025 (2009). Then, in Docket 4933, the derivation and application of the 60%/40% allocation was litigated extensively and was originally addressed by the Division's witness Lafayette K. Morgan, who Newport believes is also the Division's witness in this Docket (see Direct Testimony of Lafayette K. Morgan, Docket 4933, pp. 6-9). Newport then addressed Mr. Morgan's testimony on this issue in the rebuttal testimony of Julia Fogue (see Rebuttal Testimony of Julia Fogue, Docket 4933, pp. 2-9). The 60%/40% allocation was again agreed to by the parties in the Docket 4933 Settlement Agreement. Please see the testimonies from Docket 4933 referenced herein above for a more detailed explanation of this issue and the basis for the allocation.

**Prepared by:** Harold Smith and Robert C. Schultz, Jr.

- DIV 4-5:** Refer to the attachment to the response to COMM 1-4.
- a. Please provide the DigSafe requests and the number of requests fulfilled during FY 2024, 2023 and 2022.
  
  - b. Please provide the cost/benefit analyses supporting the decision to add an additional Utility Locator/Damage Prevention Technician instead of using an outside contractor to fulfill any excess DigSafe requests.

**Response:**

- a. FY 2024: 3,147; FY 2023: 3,210; FY 2022: 2,950.
  
- b. A cost-benefit analysis was not conducted for outsourcing Dig Safe or One Call markings. There are several factors that support keeping these services in-house to reduce risk and ensure service stability. These factors include but are not limited to, direct oversight, accountability, specialized knowledge, faster response times, and improved communication.

Considering the Utility Locator/Damage Prevention Technician, 60% allocation, salary, and benefits cost \$60,760.00 and an average of 3,000 annual tickets, the resulting cost per ticket is \$20.2533 and well under what the outsource expense would be. Newport can conduct such a study if the Division deems it prudent and sufficient funding is provided.

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**DIV 4-6:** With respect to Account 50210 – Membership Dues and Subscriptions, please provide the FY 2025 amount by organization/entity.

**Response:** Please see attached.

**Prepared by:** Robert C. Schultz, Jr.

Newport Water Division  
Docket 24-30-WW  
DIV 4-6 - Attachment

	<b>Organization/Entity</b>
American Water Works Assoc	4,571.00
RI Water Works Assoc	420.00
New England Water Works Assoc	490.00
ICMA	100.00
KROMA.AI	468.00
National Society of Professional Surveyors Inc	50.00
LinkedIn	577.67
Innovyze	5,096.30
Grammarly	540.00
Gannett Newspaper	144.00
Writesonic	274.40
Fireflies.AI	288.00
Water Environment Federation	243.18
State of RI - Professional License	308.60
State of RI - Professional License	257.50
Assoc of State Dam Safety Officials	55.00
RIDEM OWTS	350.00
VISME	297.00
American Association of Municipal Executives	600.00
<b>Total</b>	<b>15,130.65</b>

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**DIV 4-7:** With respect to Account 50220 – Consultant Fee, please provide the FY 2025 amount by consultant and show the supporting documentation or the derivation of the FY 2025 amount.

**Response:** Please see response to COM 1-5 b and COM 1-7. The rate year amount was an estimate, and is largely related to rate case expense. As noted in the response to Div. 4-1, the final rate case expense is unknown at this time and it depends on a number of factors including rate case expense incurred by the Division.

**Prepared by:** Robert C. Schultz, Jr.

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- DIV 4-8:** With respect to Account 50271 - Gasoline & Vehicle Allowance,
- a. Please provide Amendment 2 of the contract with Transdev Fleet Services.
  - b. Please provide schedule showing the maintenance cost rates before and after Amendment 2 to contract amendment with Transdev Fleet Services.

**Response:** Attached please find the original contract with Transdev Fleet Services (formerly known as First Vehicle Services, Inc.), the First Amendment dated June 3, 2022 and the Second Amendment dated February 1, 2024.

**Prepared by:** Robert C. Schultz, Jr.



City of Newport Standard Contract For  
RFP 15-049- Fleet Management and Maintenance



This Contract is made and entered into by and between the City of Newport, (the "City") and Contractor Inc. (the "Contractor"), a Delaware Corporation with principal place of business at 600 Vine Street, Suite 1400, Cincinnati, OH 45202. This Contract shall become effective on July 1, 2015.

This Contract is for a Services identified as RFP 15-049 Fleet Management and Maintenance Services.

As outlined under Bid/Proposal # 15-049 (the "Services").

For and in consideration of the mutual promises, covenants, and agreements set forth herein, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the City and the Contractor agree as follows:

#### ARTICLE 1 THE WORK OF THIS CONTRACT

The Contractor shall execute the entire work described in the Original Bid/Proposal package and Contract Documents contained herein, except to the extent specified indicated in the Contract Documents to be the responsibility of others, or as follows:

#### ARTICLE 2 DOCUMENTS INCORPORATED BY REFERENCE

This Contract references or includes the plans and specifications for the Services as identified thereon as such included in the original Notice to Bidders #15-049, plus the following:

1. The Contractor's response dated April 20, 2015, revised June 16, 2015.
2. Addendum # 2, issued April 20, 2015.
3. Addendum # 1, issued April 7, 2015.
4. Original Notice to Bidders, RFP # 15-049.

All of which are hereby incorporated herein by reference and made a part hereof. Change Orders issued hereafter, and any amendments executed by the City and the Contractor, shall become, and be a part of this Contract. Documents not included or expressly contemplated in this Article 2, do not, and shall not, form any part of this Contract.

ARTICLE 3  
REPRESENTATIONS OF THE CONTRACT

In order to induce the City to execute this Contract and recognizing that the City is relying thereon, the Contractor, by executing this contract, makes the following express representation to the City:

- a) The Contractor is fully qualified to act as the contractor for the Services and has, and shall maintain, any and all licenses, permits or other authorizations necessary to act as the contractor for, and to order and install materials and parts for these Fleet Management and Maintenance Services.
- b) The Contractor has become familiar with the Services site and the Local conditions under which the Services are to be provided.
- c) The Contractor has received, reviewed and carefully examined all the documents which make up this Contract, including, but not limited to, the vehicle list, Newport budget documents, and site inspected files and has found them in all respects to be complete, accurate, consistent, coordinated and sufficient for service provision.
- d) The Contractor is familiar with all Federal, State, Municipal, and Departmental Laws, Ordinances, Orders and Regulations, which may in any way affect the work of those employed therein, including, but not limited to, any special acts related to the work or Services of which it is a part;
- e) The Contractor is aware of the hazards involved in the work and the danger to life and property, both evident and inherent, and the Contractor will conduct the work in a careful and safe manner without injury to person or property.

ARTICLE 4  
INTENT AND INTERPRETATION

With respect to the intent and interpretation of this Contract, The City and the Contractor agree as follows:

- (a) This contract, together with the Contractor's and Surety's performance and payment bonds for the Services, if any, constitute the entire and exclusive agreements between the parties with reference to the Services, and said Contract supersedes any and all prior discussions, communications, representations, understandings, negotiations, or agreements. This Contract also supersedes any bid/proposal documents not incorporated herein pursuant to Article 2.
- (b) Anything that may be required, implied or inferred by the documents which make up this Contract, or any one or more of them, shall be provided by the Contractor for the Contract Price.
- (c) Nothing contained in this Contract shall create, nor be interpreted to create, private or any

other relationship whatsoever between the City and any person except the contractor.

(d) When a word, term, or phrase is used in this Contract, it shall be interpreted or construed first, as defined herein; second, if not defined, according to its generally accepted meaning in the industry, and third, if there is no generally accepted meaning in the industry, according to its common and customary usage.

(e) The Contractor shall have a continuing duty to read, examine, review, compare and contrast each of the documents which make up this Contract, vehicle information, and other submittals and shall give written notice to the City of any conflict, ambiguity, error or omission which the Contractor may find with respect to these documents before altering the affected services. The express or implied approval by the City of any documentation or other submittals shall not relieve the Contractor of the continuing duties imposed hereby, nor shall any such approval be evidence of the Contractor's compliance with this Contract.

(f) The City makes no representation or warranty of any nature whatsoever to the Contractor concerning such documents. The Contractor, again hereby acknowledges and represents that it has received, reviewed and carefully examined such documents, has found them to be complete, accurate, adequate, consistent, coordinated and sufficient for service provision, and that the Contractor has not, does not, and will not rely upon any representations or warranties by the City concerning such documents, as no such representations or warranties have been or are hereby made;

(g) In the event of any conflict, discrepancy, or inconsistency among any of the documents which make up the Contract, the following shall control:

- (1) As between drawing and specifications, the specifications shall govern;
- (2) As between figures given on plans, documents and scaled measurements, the figures shall govern;
- (3) As between this document and the plans or specifications, this document shall govern.

ARTICLE 5  
OWNERSHIP OF DOCUMENTS WHICH MAKE UP THE CONTRACT and  
EQUIPMENT OPERATIONS

The document which make up this Contract, and each of them, as well as any other documents furnished by the City, shall remain the property of the City. The City shall provide the Contractor with a sufficient number of copies of the complete Contract as the City determines necessary. The Contractor shall have the right to keep the Contractor's executed set; provided, however, that in no event shall the Contractor use, or permit to be used, any portion or all such Contract on other Services without the City's prior written authorization. All sets in usable condition, with the exception of the Contractor's executed set, shall be returned to the City at the completion of the work or termination of the Contract. All data and related historical Fleet and Equipment information shall be provided to the City in complete paper and digital (MS excel) format upon

request.

ARTICLE 6  
STATEMENT OF WORK

The Contractor shall perform all of the work required, implied or reasonably inferable for this Contract including, but not limited to the following:

(a) Facility

- (1) Work will be performed at the City's fleet maintenance facility located at 80 Halsey Street in Newport, Rhode Island. Such facility will remain the property of the City. The facility location is shared with the City's Department of Public Services.
- (2) The City will lease to The Contractor the "Garage" portion of the Maintenance Facility located at 80 Halsey Street in the City for a charge of \$1.00 per year. The Contractor will not use the facility for work on vehicles or equipment not owned or leased by the City unless otherwise directed or permitted in writing by a duly authorized representative of the City.
- (3) The City will also provide, under the aforementioned yearly lease rate, City- owned equipment, service vehicles, tools, manuals, and furniture located in the Vehicle Maintenance Facility. All equipment added during the term of the Contract, and approved by the City prior to acquisition, will become the property of the City. The cost of special equipment purchase or lease, if approved by the City, will not be included in the target cost and may be billed to the City with the monthly invoice. The City may establish an amortization schedule for major equipment purchases whereby The Contractor will invoice only the scheduled amount monthly, if mutually agreed to by The Contractor. The physical facility, office, and shop equipment provided to Contractor for the term of the contract will be returned to the City upon completion of the Contract in the same condition they were provided to Contractor, except for normal wear and tear.
- (4) Between the date of contract execution and the date Contractor actually occupies the facility, a complete physical inventory of office and shop equipment will be taken by representatives of the City and Contractor.
- (5) The City will supply gas, water, and electricity at no cost to Contractor. The facility will include telephones on the City network. Only long-distance phone calls associated with the management and maintenance of vehicles will be included in our target cost.
- (6) The physical facility and shop equipment such as lifts, doors and related garage infrastructure will be maintained by the City, including replacement, repairs, maintenance, and/or renovations with Contractor being responsible for informing the City of degraded conditions. The City will be responsible for replacement of such equipment and facilities at the end of its useful life or as otherwise necessary.
- (7) The Contractor will be responsible for interior housekeeping of the shop areas and parts/supplies storage areas and maintaining clear egress to and from shop areas. All shop and office areas of Contractor' responsibility will be kept in a neat and organized fashion.

(b) Hours of Service

- (1) The Contractor will operate the City-owned fleet maintenance facility during the hours of 7:00 AM to 3:30 PM, Monday through Friday. Vehicles and equipment will be accepted for service during these hours of operation.
- (2) The shop will be open and operating every scheduled the City work day. The Contractor will observe the City’s holiday schedule. The Contractor may work on scheduled City holidays, but will not expect delivery of vehicles scheduled for PM inspections or other maintenance services.

(c) Security

- (1) The Contractor may change the lock cylinders on the maintenance facility and equipment leased for the duration of the Contract. Upon request, the Contractor will provide duplicate keys to the City.
- (2) The Contractor shall provide for security of the City’s vehicles and equipment while in the Contractor’s possession for maintenance or repair.

(d) Preventive and Planned Maintenance

- (1) A preventive/planned maintenance (PM) program will be established for all vehicles and equipment that are the responsibility of the Contractor. The PM program will be designed in accordance with recognized industry standard fleet management practices and will meet the terms and conditions necessary to comply with the original equipment manufacturers (OEM) specifications, or other specific warranties and recommendations. At a minimum, the Contractor must perform a preventive maintenance inspection on each vehicle and piece of equipment every 3,000 miles or four months of service, whichever occurs first, except for special classes of vehicles and equipment. Inspections will be performed as follows:

<b>Inspection</b>	<b>Interval</b>
PM-A – Patrol	Monthly
PM-A - Other Vehicles & Non Police Patrol	Every 3,000 miles or 4 months, whichever occurs first
PM-C	Annual
Oil Analysis	Annual (in conjunction with PM-C)

- (2) Although subject to change as agreed by the Contractor and the City, the PM work will meet the following minimum requirements:
  - (i) **PM-A Police Patrol** – Perform the following items Monthly)
    - Change Engine Oil
    - Change Engine Oil Filter

- Reset Intelligent Oil Life Monitor System if Equipped
- Rotate Tires (4 Way – Front to Rear)
- Inspect Tire Wear, Tread Depth, Pressure and Record a Minimum of 5/32 Tread is to be Maintained
- Inspect accessory Belts
- Inspect Half-Shaft Dust Boots and Drive Axle Fluid Level (if Equipped)
- Check Battery Performance, Clean and Tighten Battery Terminals
- Check Horn Operation
- Check Radiator, Coolant and Heater - AC Hoses
- Check Engine Air Filter
- Check Suspension for Leaks or Damage
- Check Exhaust System
- Check Steering Linkage, Ball Joints, Suspension, Tie Rod Ends, Drive Shaft and U-Joints, Lubricate if Equipped with Grease Fittings.
- Inspect Undercarriage for Damage
- Check all Exterior lights and Hazard Warning System
- Check Fluid Levels (Brake, Coolant Recovery Reservoir, Automatic Transmission with an Under Hood Dipstick, Power Steering Fluid and Window Washer
- Check Windshield for Cracks, Chips or Pits
- Check for Oil and Fluid Leaks
- Check Washer Spray, Wiper Operation and Condition of Wipers
- Inspect Brake Pads, Shoes, Rotors, Drums, Brake lines, Hoses and Parking Brake
- Inspect Wheels and related Components for Abnormal Noise, Wear, Looseness or Drag
- Inspect Engine Cooling System Strength and Hoses
- Inspect Exhaust System and Heat Shields
- Inspect Rear Axle and U-Joints, Lubricate with Grease if Equipped with Grease Fittings (Rear Wheel Drive and AWD Vehicles)
- Check Interior and Exterior Light and Other Electrical Items for Proper Operation
- Install Service Window Sticker

(ii) **PM-A Other Vehicles and non-Police Patrol** – Perform the following items every PM interval (every 3,000 miles or 4 months, whichever occurs first)

- Change Engine Oil
- Change Engine Oil Filter
- Check Air Filter
- Check Belts, Tensioner and Pulley's
- Check Battery Electrolyte Level, Add Water as Needed: Clean and Tighten
- Battery Terminals
- Check Brake Fluid
- Check Drive Line Fluid Levels (Transmission, Transfer Case and Differential)
- Check and fill Engine Compartment Fluid Levels
- Check Cooling and AC Systems, Hoses and Clamps

- Check Exhaust System and Undercarriage
- Check Front and Rear Suspension, Ball Joints, Tie Rod Ends, Shocks, Sway Bar Links and Springs
- Check Exterior and Interior Lights and other Electrical Items for Correct Operation
- Check Power Steering Fluid
- Check Tires, Pressure, Condition and Tread. Note a Minimum of 3/32 Tread Depth Shall be Maintained and on Emergency Vehicles a Tread Depth of 5/32 shall be Maintained
- Windshield Wiper Operation, Blade Condition and Washer Solvent Level. Fill as Needed
- Lubricate Chassis
- Lubricate Steering Linkage
- Check Brake Pads, Rotors, Calipers, Shoes, Drums, Wheel Cylinders, Lines, Hoses, Slack Adjusters and Air Chambers
- Check Parking Brake Operation
- Lubricate Door Latches, Locks and Hinges
- Check Fuel Filter and Replace as Needed
- For Diesel Engines Check and Drain Fuel/Water Separator
- Check Seat Belts
- Check Body for New Damage
- Install Service Window Sticker

**(iii) PM C Yearly**

- Front wheel bearings – service
- Automatic transmission service which includes adjustment, fluid change and filter
- Tire Rotation and Balance
- Vehicles with a Hydraulic system shall have a filter and fluid change yearly.

**(e) Routine Maintenance and Repairs**

(1) To maintain the safety and availability of the City's fleet, the Contractor will perform repairs as required to correct deficiencies and road test vehicle following repairs and prior to returning vehicle to service.

**(f) Yearly Maintenance and Inspections**

- (1) The Contractor will inspect and test vehicles and power-operated equipment on an annual basis in accordance with Federal and State laws. Rhode Island State Vehicle Safety and Emission Inspections and tests will be performed yearly or bi-yearly by properly authorized and trained technicians.
- (2) The Contractor will perform annual Performance and Certification for Fire Apparatus including pump and aerial inspections.
- (3) The Contractor will be responsible for performing other statutory inspections and tests that may be required by Federal or State laws.

(g) Non-Vehicular Equipment

- (1) The Contractor will maintain hourly miscellaneous equipment in compliance with the OEM specifications or as necessary.

(h) Scheduling

- (1) PM activities will be scheduled to ensure minimal interference with the operator's normally required work schedule. The Contractor will utilize an automated PM scheduling process via our First Source MIS so that the City can give a ten (10) working day notice to the vehicle user. PM schedule notification, referencing both the department and unit number, will be provided to the designated department representative. The Contractor will be responsible for all contact with departments regarding vehicle PM scheduling. The City, the designated department representatives, and the vehicle and equipment operators will be responsible for keeping the appointments for scheduled maintenance.
- (2) Missed PM Appointments – Individual vehicle operators will be responsible for delivering their vehicles to the repair facility for service. Should a vehicle fail to appear on the original PM schedule date, the Contractor will provide the City's designated representative with a report listing vehicles that have missed PM appointments by five (5) or more days. This report will be sent to the different user groups weekly in order to reschedule an appointment. These vehicles will continue to appear on this weekly "no-show" report until the PM is performed. After several attempts to bring "no-show" PM units to the shop, the report will be submitted monthly to the City's designated representative for an acknowledgment signature.
- (3) Adhering to the PM schedule is very important because the units are scheduled in order by type of PM service and by class of vehicle to maintain a steady workflow. This, ultimately, will improve the cycle time for the return of vehicle to the end user.
- (4) The Contractor understands that the vehicle user's immediate priority is to complete their assigned duties, especially in an emergency situation such as a water main break, storm response, or other urgent need. In such instances, rescheduling of the PM service may be required.
- (i) Performance – The Contractor will be responsible for the timely performance of PM services for all the City vehicles and equipment. The Contractor will schedule, notify, and perform all scheduled maintenance in accordance with the aforementioned PM inspection process.
- (j) Annual Inspection – The Contractor will be responsible for inspecting every piece of equipment in the City's fleet annually. This may be performed at the City's Maintenance Facility. As a result of this inspection, City vehicles deemed nearing the end of useful life will be identified, most recent years' service data collected, and mutual determination of retention in the fleet of these vehicles will be made by the City and Contractor.

- (k) Repairs – The Contractor will perform specific repairs to vehicles and equipment that are identified through PM services, by users, and by breakdown or malfunction. Repairs will be made as required, limiting the nature and extent of repairs to those which are consistent with the age, mileage, and cost to repair criteria of industry best fleet practices.
- (l) Repair Expectations – Repairs estimated to exceed \$1000.00 (one thousand dollars) will be analyzed by Contractor to determine the repair's cost effectiveness and be specifically approved by the City. When equipment replacement appears to be more cost effective than repair, such recommendation will be presented in writing by Contractor to the City.
- (m) Road Calls – The Contractor will perform repairs primarily at the fleet maintenance facility. The Contractor will respond to requests for emergency road service or towing services on a 24/7 basis. After normal business hours, a call-forwarding or cellular phone system will refer emergency requests to the on-call technician who is assigned to provide road service at the site of the vehicle breakdown via a service truck. When repairs cannot be performed on site, the Contractor will be responsible for transporting or arranging towing services to transport the vehicle to the fleet maintenance facility for repair.
- (n) Quick Fixes – The Contractor will provide a quick fix function for minor repairs of less than a one-hour duration when the vehicle operator chooses to wait for the service. Vehicles repaired under quick fix will be moved to top priority. Example quick fix repairs include fluid replenishing, windshield wiper service, and headlight replacement. PM services will not be conducted as a quick fix function.
- (o) Warranty
  - (1) The Contractor will administer a warranty program, both for vehicles and parts, associated with management and repair of the City's fleet. The Annual Services Schedule will be used to note any required warranty service and check that our technicians perform the service. Warranty requirements will be entered into our proprietary fleet management information system, First Source MIS. This system will automatically notify our General Manager as to the expiration date of each warranty.
  - (2) Manufacturer recalls or modifications to equipment will be used for updating and scheduling. First Source MIS will be used to monitor the vehicle during its warranty period and ensure that the vehicle performs at maximum efficiency and meets all manufacturers' safety requirements, as well as preventing subsequent costly "out-of-warranty" repairs.
  - (3) Payments and adjustments received by the Contractor shall be credited to the target price.

(p) Re-Work – The Contractor will track and identify multiple repairs for the same deficiency on the same vehicle (re-work) and will not invoice the City for re-work occurring before the scheduled time after the original repair.

(1) Guidelines for re-work are as follows:

- (i) Engine Overhaul: 6 months or 6,000 miles, whichever occurs first
- (ii) Brake Overhaul (non-emergency vehicles): 12 months or 6,000 miles, whichever occurs first
- (iii) Tune up: 12 months or 6,000 miles, whichever occurs first
- (iv) General Repair (excluding electronic components): 12 months or 6,000 miles, whichever occurs first

(q) Outside Repairs

(1) The Contractor will be responsible for arranging and managing the conduct of outside repairs that cannot be performed economically in-house; and will be responsible for continued review of the need for specific outside repairs as opposed to performing in house repairs. These outside repairs may include major bodywork and painting, glass replacement, transmission repair, radiator work, alignments, and such other work that can be utilized at minimum cost to the City.

(2) The Contractor will constantly monitor the performance of our repair vendors to maintain a quality level that is consistent with industry best fleet practices. The Contractor will evaluate vendor performance based on quality, reliability, delivery, customer service, and cost and provide appropriate feedback to the vendor. Should deficiencies arise in these areas, the Contractor will meet with the vendor to assist them in rectifying their deficiencies in a timely fashion so the Contractor can continue to purchase their services. The Contractor will discontinue the use of vendors who fail to meet our fleet quality standards. All outside repair work will be performed to enhance the overall fleet performance in concert with industry best fleet practices. Whenever possible, repairs will be performed in-house to better control quality and cost, maximize turnaround time, and minimize repeat repairs. The Contractor will periodically meet with the City to review and revise outside repair services so that the outside repair versus in-house repair remains justifiable.

(3) The Contractor will be responsible for all vendor paperwork, invoicing, quality control, vehicle movement, vehicle security, etc. Vendor invoices will be accepted solely by Contractor.

(r) Vehicle Preparation and Disposal

(1) The Contractor will prepare newly acquired vehicles (new and/ or replacement vehicles) for service, which includes, but is not limited to:

- (i) Vehicle inspections

- (ii) Installation of special equipment, such as light bars, shot gun racks, push bumpers, corner strobes, etc.
    - (iii) Coordination of the transfer of radio and communications equipment from old to new unit
  - (2) In addition, the Contractor will prepare vehicles to be sold by the City for disposal, which includes, but is not limited to:
    - (i) Removal of tags, decals, and special equipment
    - (ii) Minor repairs to ensure vehicle is in best practical condition for auction or resale
    - (iii) Coordination of the removal of radio and communications equipment
    - (iv) Paperwork associated with decommissioning and disposal of each unit
  - (3) When a vehicle is sold, the Contractor will follow the policies and practices of the City. The Contractor will assist the City in the preparation of vehicle and equipment for auctions.
  - (4) Vehicle preparation and disposal services will provided as part of the target cost.
- (s) Accidents – The Contractor will be responsible for processing accident repairs including appraisals, obtaining repair bids, transportation of vehicle to/from repair site, repair quality and timeliness, and will be responsible for administration, including the payment of invoices. Accident repairs and towing costs from these accidents will not be included in the target cost and will be invoiced to the City as a non-target expense.
- (t) Parts
- (1) Parts Supply
    - (i) The Contractor will continue to be responsible for the procurement and management of all parts, inventories, and supplies required to maintain and repair the City’s vehicle and equipment fleet.
    - (ii) Parts installed on the City’s vehicles and equipment will be identified by part number and cost on the repair order for the appropriate assignment.
  - (2) Inventory
    - (i) The Contractor will procure, own, and maintain a sufficient parts inventory, as well as provide parts accountability and security.
    - (ii) The Contractor will monitor the parts inventory and track parts usage on the City’s fleet. The Contractor will generate a complete inventory by part number and part cost, and a usage rate history for each part normally stocked.
    - (iii) The Contractor will proactively manage Stocking Levels through both regular physical inventories and a fleet management information system (FMIS). The contractor will establish preferred vendors, backup vendors, alternate part numbers,

reorder points, and restocking levels for every part in the MIS system. Minimum order points will be based on usage and the time it takes to receive an order. When the part reaches a defined level, a purchase order will be generated, reviewed, and adjusted as necessary.

- (iv) The Contractor and the City will meet on a semi-annual basis to determine specialty and/or critical parts to be stocked to support critical units and seasonal operations.
- (v) Parts Warranty Administration – The Contractor will administer warranties for parts identified to be either defective, inferior, or non-fit items following repair of a City vehicle or piece of equipment. The Contractor will perform necessary work to replace a defective part and such work will be reimbursed directly to Contractor by the OEM supplier.
- (vi) The City will purchase, at cost from Contractor, all of the active parts in inventory upon completion or termination of the Contract.

(u) Reporting

(1) Records

- (i) Upon prior notice to the General Manager, the Contractor will provide the City's authorized representative(s) access at all reasonable times to all electronic and hard data, books, records, correspondence, instructions, plans, drawings, receipts, vouchers, and memoranda of every description related to our fleet management and maintenance services for the City, and will provide to the City's authorized representative(s) cost verification for work.
- (ii) A minimum of monthly billing by department will be conducted, which will include all necessary back up data to provide a customer bill for all vehicles serviced in the month ended. The City is responsible for charging back the cost of services to the department that has incurred the service.

(2) Files

- (i) The Contractor will maintain a complete file of service manuals, service bulletins, lubrication charts, and other information needed to properly service and repair the City's fleet. These files will remain the property of the City.
- (ii) The Contractor will also maintain a hard copy history folder for each vehicle and piece of equipment. This folder will contain, in chronological order, all work orders generated on the vehicle/equipment. The folder will also contain the vehicle's make, model, year and serial number along with invoice information.
- (iii) All physical and electronic data stored in the fleet management information system, will be owned by the City and made available, upon request, to the City's authorized representatives at any time during the Contract. The software and FMIS will be owned and maintained by Contractor. Upon termination of the contract, all FMIS data will be returned to the City in both paper and electronic format (either spreadsheet or database).

- (3) Weekly Report – The Contractor will generate a weekly report for delivery to the City before Noon each Monday. The weekly report shall be in memo format and shall include from the previous week’s activity:
- (i) A listing of vehicles not delivered for a scheduled PM. The listing shall include the assignee’s name and department.
  - (ii) Repair activity, by Department.
  - (iii) A status report on vehicles out of service for more than seven (7) days.
  - (iv) Number of work orders processed and average days open for work orders.
  - (v) Summary Work Order with detailed cost figures for each vehicle repaired.
  - (vi) Summary of work completed as outside repairs or outside of target agreement scope, along with related costs.
- (4) Monthly Report – The Contractor will generate a monthly report for delivery to the City on or before the 10<sup>th</sup> calendar day of the month following the reporting period. This report shall include, but not be limited to:
- (i) Maintenance costs for the month compared to target costs.
  - (ii) Failure/attainment in each performance area subject to reward/liquidated damages for that month and cumulative damages for that contract year.
  - (iii) Costs for accidents and other items not included in target costs.
  - (iv) Discovery or indication of abuse by the vehicle user in excess of normal wear and tear.
  - (v) Number of shop orders.
  - (vi) Number of service calls.
  - (vii) Number of vehicle PMs scheduled/completed.
  - (viii) Downtime by category and in total.
  - (ix) Cumulative records of sub-contracted work.
  - (x) Total labor hours expended.
  - (xi) Total parts cost.
  - (xii) Problem/accident summary.
  - (xiii) Total costs, by vehicle and department so that entire vehicle cost may be billed by the City Accounting department back to the department that owns the unit.
  - (xiv) Brief notes of relevant issues per Contractor’s manager on site
- (5) Annual Performance Report – The Contractor will provide the City with a written annual performance report which summarizes the year’s activity, within thirty (30) days following the end of the Contract year. The annual performance report will include yearly

data for those categories presented in the monthly reports, as well as additional performance information.

(6) Invoices

- (i) At the commencement of the Contract, the Contractor will invoice the City in an amount equal to 1/12th of the annual Target Cost for the first month's Target Services. Following the first month of services, the Contractor will invoice the City on the first day of each month in two parts: 1/12th the annual Target Cost for the current month's Target Services, and a separate invoice delineating additional reimbursable items (including directed work, approved accident repairs, and approved Non-Target Work, emergencies) which were incurred by Contractor in the previous month.
- (ii) The Contractor will prepare verification data of any items questioned for the amount claimed and provide complete cooperation during such investigation of any areas in the invoice subject to question. The City will be responsible for paying the remainder of each month's invoice when individual invoice line-items are awaiting dispute resolution. Invoices will include backup for all reimbursable items by work order.

(v) Fleet Management Information System

- (1) The Contractor will utilize a fleet management information system (FMIS), to provide customized reporting and data gathering on maintenance, repair, and parts management activities. The FMIS will capture critical data on the City's fleet and provide fleet analysis with customized reporting. The Contractor will provide the City read-only access.
- (2) The Contractor's technicians and management will be responsible for opening a work order in the FMIS upon arrival of the vehicle at the facility for a scheduled maintenance or repair. Once the service is completed and all documentation of the service is finalized in the system, the technician is responsible for closing the work order. The Contractor's General Manager is responsible for generating all necessary fleet reports to provide to the City.
- (3) The Contractor will implement a Paperless Shop process utilizing handheld tablets on or before September 1, 2015.
- (4) The Contractor will provide MIS support and regional staff that will be available to provide FMIS support to the location throughout the contract term, including training technicians and management staff on the use of the FMIS. The Contractor will provide ongoing FMIS support, training, and system configuration, as needed.

(w) Other Services

- (1) **Emergencies** – The Contractor will mobilize the shop and provide repair and maintenance services for the duration of emergency situations. Such service will include adequate staffing to ensure continued vehicle operations at a level determined to be required by the City. Costs incurred during emergency situations outside normal business hours are not included in the Target Cost and will be invoiced to the City at the non-contract labor rate.
  
  - (2) **Directed Work** – The City or its designee may direct the Contractor to perform additional tasks (i.e., tasks not related to ongoing and normal operations) under this Contract. The Contractor will perform such assignments in accordance with an agreed to schedule and level of effort. Cost of Directed Work assignments are not included in the Target Cost and will be invoiced to the City at the non-contract labor rate. Non-contract work performed during normal business hours by the core staff will not be charged to the City.
    - (i) The Contractor will support the City with technical investigations related to the fleet. Such investigations may support accidents, fire, or other issues of a technical nature.
  
  - (3) **Waste** – The Contractor will be responsible for and will propose/retain vendors for the disposal of all trash and other wastes generated during the course of the Contract. The Contractor will maintain records on all hazardous chemicals and other hazardous waste. The records will contain the materials' origin, use, transportation, and ultimate distribution and disposal. All disposals will be in accordance with current City, State and Federal laws and EPA regulations. The Contractor will provide training and management for employees working with and handling hazardous materials, in accordance with laws and EPA regulations. At Contract commencement, the Contractor will provide a written Hazard Communication Program. The Contractor will hold the City free of liability for all our actions relating to waste disposal.
- (x) **Value Added Services**
- (1) **Purchases** – The Contractor will assist the City in the preparation of purchase specifications for additional or replacement vehicles and/or replacement equipment. In addition, the Contractor will assist the City with inspections and assessments of used vehicles and equipment that the City is considering for purchase or lease. The Contractor will also identify and recommend to the City for purchase both services and equipment that will reduce the cost of maintenance and/or improve the quality of vehicular services provided to the City.
  
  - (2) **Fuel** – The City will fuel all vehicles and equipment. In addition, the City will be responsible for the repair or replacement of the City's Automated Fuel Management System. Contractor, however, will coordinate maintenance and repair in much the same manner as an outside repair. The Contractor will provide support for these services as part of the Target Price.

(y) Staffing – The Contractor will provide the City with the following on-site, dedicated team of management and staff who will be responsible for the delivery of quality services in the maintenance and repair of the City’s fleet.

<b>Position</b>	<b>FTE Employees</b>
General Manager	1
Lead Technician	1
Technician/ Parts & Service Clerk	1
Technicians	2
<b>Total On-site Staffing</b>	<b>5</b>

- (1) Staffing shortages and heavy workloads may be back-filled by other Contractor locations or with floating technicians provided by the Contractor. This would be implemented in the event that the Contractor’s staffing falls below the required level for more than 30 days or the Contractor cannot meet the performance of this agreement due to staffing levels.
- (2) All employees who will operate the City’s vehicles or equipment requiring a commercial driver's license or other specialized licenses will have all appropriate licenses including CDL’s. In addition, employees will possess the appropriate industry and state required certifications (Automotive Service Excellence (ASE), Emergency Vehicle Technician (EVT), State of Rhode Island, etc.) for maintaining and repairing the City’s vehicles and equipment. ASE/EVT training will be conducted quarterly beginning July, 2015.
- (3) The Contractor will be required to have a Master Level III EVT within 18 months of Contract commencement. At least one additional technician will be cross trained to provide back-up for Emergency Vehicle work requirements. The Contractor will meet the following schedule to achieve ASE/EVT certifications.

**Level 1 (6 months)**

ASE

T-4 Heavy Duty Trucks, Brakes

T-5 HD Truck, Suspension and Steering

T-8 PMI

EVT

F-2 Design & Performance of Fire Apparatus

**Level II (12 months)**

ASE

T-2 HD Truck, Diesel Engines

T-3 HD Truck, Drive Train

T-6 HD Truck, Electrical Systems

EVT

F-3 Fire Pumps and Accessories

F-4 Electrical Systems

**Master Level III Fire Apparatus Technician (18 months)**

ASE

T-1 HD Truck, Gasoline Engines

T-7 HD Truck, Heating and A/C

EVT

F-5 Aerial Fire Apparatus

- (4) The Contractor will perform pre-employment alcohol/ drug tests for all employees to be hired, criminal background checks, and driver's license/ CDL checks for all proposed employees, and will administer random alcohol/drug tests during the contract term. Any employee involved in misconduct, drugs, or alcohol on the City's premises, or whose performance or actions are obviously detrimental to the program will be dismissed.

## Job Descriptions

Position	Responsibilities
<b>General Manager</b>	Complete oversight of fleet operations, maintenance, safety and administrative duties Serve as primary liaison with customer Provide leadership and support for all project personnel Maintain strong safety culture and encourage continuous improvement Implement and monitor cost savings programs, safety initiatives, waste and environmental management procedures, quality control measures, and other fleet management standard operating procedures Monitor and measure Key Performance Indicators against actual performance
<b>Service Clerk / Technician</b>	Open work requests upon receipt Close work requests upon completion of quality inspection Answer telephone at facility and schedule repair appointments Maintain vehicle information files Arrange pick-up of vehicles for outside repairs File work orders with preventive maintenance inspection sheets, DVCR (operator write-up), and maintain unit file related information Perform PM inspections and minor vehicle maintenance and repairs Remove, clean, repair, reinstall, and adjust vehicle components Complete work orders properly Evaluate completed work prior to release Perform road calls and emergency services as necessary
<b>Lead Technician</b>	Assign, monitor, and approve all work performed by technicians Diagnose and perform all phases of vehicle maintenance and repair Remove, clean, repair, reinstall, and adjust vehicle components Monitor work orders for complete documentation of maintenance and repairs by technicians Select appropriate course of action for repairs
<b>Technicians</b>	Diagnose and perform all phases of vehicle maintenance and repair Remove, clean, repair, reinstall, and adjust vehicle components Complete work orders properly

	Evaluate completed work prior to release Perform road calls and emergency services as necessary
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- (z) Right to Require Performance – The City’s failure at any time to require performance of any provisions thereof by Contractor will in no way affect the right of the City thereafter to enforce same. Nor will any waiver by the City of any breach of any provision hereof be taken or held to be waiver of any succeeding breach of such provision or as a waiver of any provision itself.
  
- (aa) Performance Bond – Prior to Contract execution, the Contractor will furnish a Performance Bond executed by a Surety Company duly authorized to do business in the State of Rhode Island, in an amount equal to one hundred percent (100%) of the contract price, as security for the faithful performance of the contract.
  
- (bb) Working Conditions – In the performance of the Agreement, the Contractor will adopt working conditions, and other employment policies which meet the approval of the City, provided however, that such policies comply with applicable Federal or State laws.
  
- (cc) Job Safety Compliance – The Contractor will be responsible for complying with all Federal, State or local laws affecting job safety. At Contract commencement, the Contractor will provide a written Safety Program, a Lock Out/ Tag Out Program, and a safety training program for the maintenance facility employees.
  
- (dd) Equal Opportunity Compliance – The Contractor accepts RFP Attachment “A” relating to Equal Opportunity Employment and is part of this Agreement.

ARTICLE 7  
DURATION OF CONTRACTOR'S PERFORMANCE (TERM)

- (a) The Contract term is July 1, 2015 to June 30, 2021.
  
- (b) The contract may be renewed, expanded, and extended by mutual agreement for two (2) additional two (2) year renewal periods, in accordance with the requirements outlined in the Notice to Bidders, RFP # 15-049.
  
- (c) Following the first 18 months of operations, in January, 2017, and annually each January thereafter, the cost target and approved budget, including the Contractor's fee, shall be negotiated and adjusted for the third and subsequent years of the Contract. This will ensure that the contract performance, and expected cost impacts will be incorporated into the City budgeting process. During the annual meeting between the City and the Contractor, the Contractor’s performance will be reviewed. The meeting shall also include a review of the

Contractor's cost of doing business. Contract cost adjustments for the ensuing year, as may be applicable, shall not exceed, on a percentage basis, the lowest of the following three items: (i) Bureau of Labor Statistics – Consumer Price Index (CPI) for all urban consumers – US City Average – Motor vehicle maintenance and repair, (ii) Bureau of Labor Statistics – Consumer Price Index (CPI) for all urban consumers – US City Average – Motor vehicle parts and equipment, or (iii) Three percent (3%). Administrative Costs and Management Fees will continue to be a percentage of the total Target Costs. Changes to the Contract shall be documented in a Contract Amendment.

#### ARTICLE 8 PAYMENT TO CONTRACTOR

- (a) The City shall pay, and the Contractor shall accept, as full and complete payment for the Contractor's timely performance of its obligation hereunder, the Contract sum of Six Hundred Fifty Thousand Seven Hundred Dollars and twenty six cents (\$650,700.26). The price set forth in this Paragraph 8, shall constitute the Contract Price, which shall not be modified except as provided by this Contract.
- (b) The City shall pay the Contract Price to the Contractor in accordance with the procedures set forth in this Paragraph 8. On or before the 15th day of each month after commencement of performance, but no more frequently than once monthly, the Contractor may submit a Payment Request for the period ending on the last day of the preceding month. Said Payment Request shall be in such format that the City may require. Each Payment Request shall be signed by the Contractor and shall constitute the Contractor's representation of the quantity of work has reached the level for which payment is requested, and that the work has been properly performed in strict compliance with this Contract and that the Contractor knows of no reason why payment should not be made as requested. Thereafter, the City shall review the Payment Request and may also review the work and materials provided at the Services site, or elsewhere, to determine whether the quantity and quality of the work is as represented in the Payment Request and is as required by this Contract. The City shall approve in writing the amount which, in the opinion of the City, is properly owing to the Contractor. The payment of the Contractor's invoice will be made no later than thirty (30) days after the receipt of the invoice. Invoicing will follow parameters outlined in the RFP, page 15, section 5.6, Invoices.
- (c) The contractor will be responsible for all costs associated with 'rework' as outlined in the RFP, page 10, section 3.5, Re-work.
- (d) Upon notice to cease services the City shall retain a percentage of the progress or monthly payment claimed including approved additional work. The retainage shall be ten (10%) percent of the annual contract price. The City shall pay the retainage to the Contractor within ninety (90) days of the date services and related operations cease and the agreement is satisfactorily concluded.
- (e) Upon final Completion and Acceptance of the Services, the City shall issue a certificate attached to the final payment request stating that the City under the conditions of the

Contract Documents has accepted the Services as complete. The entire balance to be due the Contractor shall be paid to the Contractor within ninety (90) days of the Final Completion and Acceptance of Work.

- (f) The City shall have the right to refuse to make payment and, if necessary, may demand the return of a portion or all of the amount previously paid to the Contractor due to:
- (1) The quality of a portion, or all, of the Contractor's work not being in accordance with the requirement of this Contract;
  - (2) The quantity of the Contractor's work not being as represented in the Contractor's Payment Request, or otherwise;
  - (3) The Contractor's provision of services being such that, in the City's opinion, service provision is inexcusably delayed;
  - (4) Claims made, or likely to be made, against the City or its property.
  - (5) Loss caused by the Contractor;
  - (6) The Contractor's failure or refusal to perform any of its obligations to the City.
- (g) In the event that the City makes a written demand upon the Contractor for amounts previously paid by the City as contemplated in this paragraph, the Contractor shall promptly comply with such demands.
- (h) When the Services are finally completed and the Contractor is ready for final inspection, it shall notify the City thereof in writing. Thereupon, the City will perform a final inspection of the Service area and parts and supplies therein. If the City confirms that the Service is complete in full accordance with this Contract and the Contractor has performed all of its obligations to the City hereunder, the City will furnish a final Approval for Payment certifying that the Service is complete and the Contractor is entitled to the remainder of the unpaid Contract Price, less any amount withheld pursuant to this Contract. If the City is unable to issue its final Approval for Payment and is required to repeat its final inspection of the Services, the Contractor shall bear the cost of such repeat inspection(s), which costs may be deducted by the City from the Contractor's final payment.
- (i) Upon conclusion of the services Inventory on hand will be mutually counted and valued by the City and the Contractor. Items found to be obsolete, by cause of City disposal of the vehicle the inventory serves, will be included in the value of inventory returned to the City. Obsolete inventory that exists due to contractor action will not be included in this inventory value.
- (j) The Contractor is to begin work within ten (10) days after the Contract Execution and shall continue the work for (72) seventy two consecutive calendar months. If the Contractor fails to complete the work as set forth the Contractor shall reimburse the City

the costs incurred to meet the critical service needs for Equipment Operations. Any sums due and payable hereunder by the Contractor shall be payable, not as a penalty, but as liquidated damages.

- (k) Prior to being entitled to receive final payment, and as a condition precedent thereto, the Contractor shall furnish to the City in the form and manner required by the City:
- (1) An affidavit that all of the Contractor's obligations to subcontractors, laborers, equipment or materials suppliers, or other third parties in connection with the Services, have been paid or otherwise satisfied;
  - (2) If requested by the City, separate releases of lien or lien waivers from each subcontractor, lower-tier subcontractor, laborer, supplier or other person or entity who has, or might have a claim against the City or the City's property;
  - (3) If applicable, consent(s) of surety to final payment;
  - (4) All product warranties, operating manuals, instruction manuals, and other record documents, drawings, and things customarily required of the Contractor/ or expressly required herein/ as part of or prior to Services closeout.

#### ARTICLE 9 FLEET SIZE

The contractor is responsible for the care and maintenance of all City vehicles/ and equipment per the RFP submission. The most current vehicle list will be provided to the Contractor with the executed contract. An increase or decrease in excess of 5% of fleet count/ as compared to original RFP submission/ allows for adjustment up or down to the target price.

#### ARTICLE 10 CEASE AND DESIST ORDER

In the event the Contractor fails or refuses to perform the work as required herein, the City may instruct the Contractor to CEASE and DESIST from performing further work in whole or in part. Upon request of such instruction, the Contractor shall immediately cease and desist as instructed by the City and shall not proceed further until the cause of the City's instruction has been corrected, or no longer exists, or the City instructs that the work resume. In the event the City issues instructions to cease and desist, and in the further event that the Contractor fails and refuses within seven (7) calendar days of receipt of same to provide adequate assurance to the City that the cause of such instructions will be eliminated or corrected, then the City shall have the right, but not the obligation, to carry out the work with its own forces, or with the forces of another Contractor, and the Contractor shall be fully responsible and liable for the costs of performing such work by the City. The rights set forth herein are in addition to, and without

prejudice to, any other rights or remedies that the City may have against the Contractor.

**ARTICLE 11  
DUTIES, OBLIGATIONS AND RESPONSIBILITIES OF THE CONTRACTOR**

In addition to any and all other duties, obligations and responsibilities of the Contractor set forth in this Contract, the Contractor shall have and perform the following duties, obligations and responsibilities to the City:

(a) The Contractor is again reminded of its continuing duties set forth in Subparagraph 4 (e) which are by reference hereby incorporated in this Article. The Contractor shall not perform work without adequate labor and materials. If the Contractor performs work knowing or believing it involves an error, inconsistency or omission in the Contract without first providing written notice to the City, the Contractor shall be responsible for such work and pay the cost of correcting same;

(b) All work shall strictly conform to the requirements of this Contract;

(c) The Work shall be strictly supervised, the Contractor bearing full responsibility for any and all aspects or omissions of those engaged in the work on behalf of the Contractor;

(d) The Contractor hereby warrants that all labor furnished under this Contract shall be competent to perform the task undertaken, that the product of such labor shall yield only first-class results, that all materials and equipment provided shall be new, of high quality, that the completed work will be complete, of high quality, without defects, and that all work strictly complies with the requirements of this Contract. Any work not strictly complying with the requirements of this Subparagraph shall constitute a breach of the Contractor's warranty;

(e) The Contractor shall obtain and pay for all required permits, fees and licenses customarily obtained by the Contractor. The Contractor shall comply with all legal requirements applicable to the work.

(f) The Contractor shall employ and maintain at the Services site, only competent supervisory personnel.

(g) The Contractor shall keep an updated copy of this Contract at the Services site.

Additionally, the Contractor shall keep a copy of approved equipment manuals and other submittals. All of these items shall be available to the City at all regular business hours. Upon final completion of the work, all of these items shall be finally updated and provided to the City and shall become property of the City.

(h) The Contractor shall maintain the Services site in a reasonably clean condition during performance of the work. Upon final completion, the Contractor shall thoroughly clean the Services site of all debris, trash and excess materials or equipment. Contractor, and any subcontractors under his control, is responsible for any damages incurred by the owner to this

property.

(i) At all times relevant to this Contract, the Contractor shall permit the City to enter upon the Services site and review or inspect the work without formality or other procedure. It is understood this requirement is limited to the City Fleet Coordinator, Public Services Director or his designee as determined by the City Manager.

(j) Shop areas must be of a neat and organized manner with clear paths of egress available at all times. Contractor is responsible for locks and necessary security hardware installations. Service hours shall be at a minimum 7:00am to 3:30pm EST, Monday through Friday. Additional or modified service hours will be at the discretion of the City.

#### ARTICLE 12 DUTIES, OBLIGATIONS AND RESPONSIBILITIES OF THE CITY

(a) Except for permit fees, expenses and related items, which are the responsibilities of the Contractor, the City shall secure and pay for necessary maintenance and upkeep of the public works garage required for basic occupancy of the site. Equipment, material and related items specific to operating the facility as a garage will be the contractor's responsibility.

(b) If the Contractor fails to correct work, which is not in accordance with the requirements of the Contract, and persistently fails to carry out the work in accordance with the Contract, the City, by a written letter, may order the Contractor to stop all work, or any portion thereof, until the cause of such order has been eliminated; however, the right of the City to stop the work shall not give rise to a duty on the part of the City to exercise this right for the benefit of the Contractor, or any other person or entity.

(c) Upon completion and acceptance of the work, the City shall issue a certificate attached to the final payment request that the City under the conditions of the Contract has accepted the work.

#### ARTICLE 13 "OR EQUAL" CLAUSE

(a) Whenever a material or article required is specified or shown on the equipment manuals by using the name of the proprietary product of the particular manufacturer or vendor, any material or article which will perform adequately the duties imposed by the general design may be considered equal and satisfactory providing the material or article so proposed is of equal substance and function in the City's opinion. New material shall be used in the Services. Equipment or materials used in an "or equal" capacity shall not be purchased or installed without the City's written approval.

(b) If more than one brand, make of material, device, or piece of equipment is shown or specified, each should be regarded as the equal of the other. Any other brand, make of material, device or equipment, which in the opinion of the City or its Authorized Representative, is the recognized equal of that specified (considering quality, workmanship, and economy of operation), and is suitable for the purpose intended, may be accepted.

ARTICLE 14  
INDEMNITY

The Contractor shall indemnify and hold the City harmless from any and all claims, liability, damages, loss, cost and expense of every type whatsoever, including, without limitation, attorney's fees and expenses, in connection with the Contractor's performance of this Contract, provided that such claims, liability, damages, loss, cost of expense is due to sickness, personal injury, disease or death, or loss or destruction of tangible property (other than the work itself), including loss of use resulting therefrom, to the extent caused by the Contractor, or anyone for whose acts the Contractor may be liable, regardless of whether such liability, claim, damage, loss or expense is caused in part by the City.

ARTICLE 15  
CLAIMS BY THE CONTRACTOR

Claims by the Contractor against the City are subject to the following terms and conditions:

(a) All Contractor claims against the City shall be initiated by a written claim submitted to the City. Such claims shall be received by the City no later than seven (7) calendar days after the event, or the first appearance of the circumstances, causing the claim, and the same shall set forth in detail all known facts and circumstances supporting the claim;

(b) The Contractor and City shall continue their performance hereunder regardless of the existence of any claim submitted by the Contractor.

(c) In connection with any claim by the Contractor against the City for compensation in excess of the Contract Price, any liability of the City for the Contractor's cost shall be strictly limited to direct cost incurred by the Contractor and shall in no event include indirect costs or consequential damages of the Contractor. The City shall not be liable to the Contractor for claims of third parties including subcontractors, unless and until liability of the Contractor has been established therefor in a court of competent jurisdiction.

(d) In the event the Contractor shall be delayed in performing any task which at the time of the delay is then critical, or which during the delay, becomes critical, as the sole result of any act or omission by the City or someone acting in the City's behalf, or by City-authorized directives, unusually bad weather not reasonably anticipatable, fire or other Acts of God, achieving performance, or, as applicable, final completion, shall be appropriately adjusted by the City upon the written claim of the Contractor to the City. It is expected that the contractor will make any and all reasonable efforts to continue critical Equipment Operations and Maintenance services regardless of cause. Further, that the City and the contractor will work together to restore operations as quickly as possible to the benefit of public welfare.

ARTICLE 16  
SUBCONTRACTORS

Upon execution of this Contract, the Contractor shall identify to the City, in writing, any parties intended as subcontractors of the Services. The City shall, in writing, state any objections the City may have to one or more of said subcontractors. The Contractor shall not enter into a subcontract with any intended subcontractor with reference to whom the City objects. The Contractor shall not award work to a subcontractor(s) in excess of ten (10%) percent of the Contract Price, without prior written approval of the City. All subcontracts shall afford the Contractor rights against the subcontractor, which corresponds, to those rights afforded to the City against the Contractor herein. Nothing contained in this Contract shall create any contractual relationship between any subcontractor and the City. All liability and insurance coverages for the Contractor will apply to subcontractors.

ARTICLE 17  
WAGE RATES

(a) Except as may otherwise be required by law, all claims and disputes pertaining to the classification of labor employed on the Services under this Contract, shall be decided by the City's governing body or other duly designated official.

ARTICLE 18  
DIRECTED WORK

Additions to the work within the general scope of this Contract may be ordered by a directive. The Contractor shall proceed with any such work, and the same shall be accomplished in strict accordance with the following terms and conditions:

- (a) Directed work is added to the billed work per the additional fees and requirements of RFP 15-049;
- (b) In no case will additional billable work be authorized other than in writing by an authorized City representative. This requirement is limited to the City Fleet Coordinator, Public Services Director or his/her designee, and as may be determined by the City Manager.
- (c) Emergencies will be declared by the City Manager or his/her designee only. Only labor charges will apply during after-hours emergency services.

ARTICLE 19  
DISCOVERING AND CORRECTING DEFECTIVE OR INCOMPLETE WORK

(a) In the event that the Contractor covers, conceals or obscures its work in violation of this Contract or in violation of a directive from the City, such work shall be uncovered and displayed for the City's inspection upon request, and shall be reworked at no cost in time or money to the City.

(b) If any of the work is covered, concealed or obscured in a manner not covered by Subparagraph 15(a) above, it shall, if directed by the city, be uncovered and displayed for the City's inspection. If the uncovered work conforms strictly to this Contract, the cost incurred by the Contractor to uncover and subsequently replace such work shall be borne by the City. Otherwise, such costs shall be borne by the Contractor.

(c) The Contractor shall, at no cost in time or money to the City, correct work rejected by the City as defective or failing to conform to this Contract. Additionally, the Contractor shall reimburse the City for all testing, inspection and other expenses incurred as a result thereof;

(d) The City may, but in no event be required to, choose to accept defective or nonconforming work. In such event, the Contract Price shall be reduced by the greater of (1) the reasonable cost of removing and correcting the defective or nonconforming work, and (2) the difference between the fair market value of the Services as performed and the fair market value of the Services had it not been performed in a manner as to include defective or nonconforming work. If the remaining portion of the unpaid Contract Price, if any, is insufficient to compensate the City for the acceptance of defective or nonconforming work, the Contractor shall, upon written demand from the City, pay the City such remaining compensation for accepting defective or nonconforming work.

(e) In cases of rework the Contractor will account for all labor cost using the standard hourly rate (\$52.00), and crediting this cost to the City as a reduction in the Target price.

(f) The contractor will enforce all parts and labor warranties for all manufacturers and subcontractors employed. The City will not be charged for parts and materials repaired or replaced within applicable warranty periods.

#### ARTICLE 20 TERMINATION BY THE CONTRACTOR

If the City repeatedly fails to perform its material obligations to the Contractor for a period of ninety (90) days after receiving written notice from the Contractor of its intent to terminate hereunder, the Contractor may terminate performance of his Contract by written notice to the City. In such event, the Contractor shall be entitled to recover from the City as though the City has terminated the Contractor's performance under this Contract for convenience pursuant to Subparagraph 22(a) hereunder.

#### ARTICLE 21 CITY'S RIGHT TO SUSPEND CONTRACTOR'S PERFORMANCE

(a) The City shall have the right at any time to direct the Contractor to suspend its performance, or any designated part thereof, for any reason whatsoever, or without reason, for a cumulative period of up to ten (10) calendar days. If any such suspension is directed by the City, the Contractor shall immediately comply with same;

(b) In the event the City directs a suspension of performance under this paragraph 21, through no fault of the contractor, the City shall pay the Contractor as full compensation for such compensation the Contractor's reasonable cost, actually incurred as paid, of:

- (1) demobilization and remobilization, including such costs paid to subcontractors;
- (2) preserving and protecting work in place;
- (3) storage of material or equipment purchased for the Services, including insurance thereon;
- (4) Performing in a later or during a longer time frame than that contemplated by this Contract.

**ARTICLE 22  
TERMINATION BY THE CITY**

The City may terminate this Contract in accordance with the following terms and conditions:

(a) The City may, for any reason whatsoever, terminate performance under this Contract by the Contractor for convenience. The City shall give written notice of such termination to the Contractor specifying when termination becomes effective. The Contractor shall also terminate outstanding orders and subcontracts. The Contractor shall settle the liabilities and claims arising out of termination of subcontracts and orders. The City may direct the Contractor to assign the Contractor's right, title and interest under termination orders or subcontracts to the City or designee. The Contractor shall transfer title and deliver to the City such completed or partially completed work and materials, equipment, parts, fixtures, information and Contract rights as the Contractor has. When termination for convenience, the Contractor shall be compensated as follows:

(1) The Contractor shall submit a termination claim to the City specifying the amount due because of termination for convenience together with cost, pricing or other data required by the City. If the Contractor fails to file a termination claim within one (1) year from the effective date of termination, the City shall pay the Contractor, an amount derived in accordance with Subparagraph (3) below:

(2) The City and the Contractor may agree to the compensation, if any, due to the Contractor hereunder;

(3) Absent agreement to the amount due the Contractor, the City shall pay the Contractor the following amounts:

i) Contract prices for labor, materials, equipment and other services accepted under this Contract;

ii) Reasonable costs incurred in preparing to perform and in performing the termination portion of the work, and in termination the Contractor's performance, plus a fair and

reasonable allowance for job-site overhead and profit thereon (such profit shall not include anticipated profit or consequential damages); provided however, that if it appears that the Contractor would not have profited or would have sustained a loss if the entire Contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss, if any;

iii) Reasonable cost of settling and paying claims arising out of the termination of subcontracts or orders pursuant to this Contract. These Costs shall not include amounts paid in accordance with other provisions hereof.

(4) The Total sum to be paid the Contractor under this Subparagraph, shall not exceed the total Contract Price as properly adjusted, reduced by the amount of payments otherwise made, and shall in no event, include duplication of payments.

(5) If the Contractor does not perform the work, or any part thereof, in a timely manner, supply adequate labor, supervisory personnel or proper equipment or materials, or if it fails to timely discharge its obligations for labor, equipment, and materials, or proceeds to disobey applicable law, or otherwise commits a violation of a material provision of this Contract, then the City, in addition to any rights it may have against the Contractor or others, may terminate the performance of the Contractor and assume possession of the Services site and of all materials and equipment at the site and may complete the work. In such case, the Contractor shall not be paid further until the work is complete. After final severance of services has been achieved, if any portion of the Contract Price, as it may be modified hereunder, remains after the cost to the City of completing the work, including all costs and expenses of every nature incurred, has been deducted by the City, such remainder shall belong to the Contractor. Otherwise, the Contractor shall pay and make whole the City for such costs. This obligation for payment shall survive the termination of the Contract. In the event the employment of the Contractor is terminated by the City for cause and is subsequently determined by a Court of competent jurisdiction that such termination was without cause, such termination shall thereupon be deemed a Termination for Convenience.

#### ARTICLE 23 INSURANCE

(a) Prior to the commencement of the Agreement, the Contractor shall obtain and keep in full force and effect until the termination of the Agreement, the following insurance with an insurance company licensed and qualified to do business in the State of Rhode Island, as evidenced by a Certificate of Insurance and/or certified copies of the insurance policy(ies).

- (1) Worker Compensation - Statutory minimum limits
- (2) Employers' Liability with a minimum of \$1,000,000 combined single limit.
- (3) Commercial General Liability
  - (i) Minimum \$1,000,000 combined single limit of Bodily Injury and Property Damage per occurrence including the following coverage:

- a. Contractual Liability
- b. Premises and operations
- c. Independent Contractors
- d. Completed Operations and Product Liability
- e. Personal Injury

(4) Automobile Liability

- (i) Minimum \$1,000,000 combined single limit of Bodily Injury and Property Damage per occurrence including the following:
  - a. Owned automobiles
  - b. Hired automobiles
  - c. Non-owned automobiles

(5) Garage Keeper's Legal Liability

- (i) Minimum Limits - \$1,000,000 per occurrence

(6) Additional Insured – The City shall be named as an additional insured on all liability policies.

(b) POLICY CANCELLATION

- (1) Sixty (60) days written notice of cancellation or of any material change in the policy (ies) is required.

(c) CERTIFICATE HOLDER

- (1) City of Newport, State of Rhode Island.

ARTICLE 24  
SURETY BONDS

The Contractor shall be licensed to do business in the State of Rhode Island and shall furnish separate performance and payment bonds to the City. Each bond shall set forth a penal sum in the amount of not less than the Contract Price. Each bond furnished by the Contractor shall incorporate by reference the terms of this Contract, as fully as though they were set forth verbatim in such bonds. In the event the Contract Price is adjusted by Change Order executed by the Contractor, the penal sum of both the performance bond and the payment bond shall be deemed increased by that amount. The performance and payment bonds furnished by the Contractor shall be in the form suitable to the City and shall be executed by a surety, or sureties, reasonably acceptable to the City.

ARTICLE 25  
PATENTS

The Contractor shall pay all applicable royalties and license fees. The Contractor shall defend all suits or claims for infringement of any patent rights, and save the City harmless from loss on account thereof, except that the City shall be responsible for any such loss on when a

particular process, design, or product of a manufacturer(s) is specified. However, if the Contractor has reason to believe that the design, process or product specified is an infringement of a patent, the Contractor shall be responsible for such loss unless the Contractor promptly gives such information to the City.

ARTICLE 26  
APPRENTICES

Apprentices shall be permitted to work only under a bona fide apprenticeship program registered with a State Apprenticeship Council, which is recognized by the Federal Committee of Apprenticeship, United States Department of Labor; or if no such Council exists in a State, under a program registered with the Bureau of Apprenticeship, United States Department of Labor.

ARTICLE 27  
ASSIGNMENTS

The Contractor shall not assign the whole or any part of this Contract or any monies due or to become due hereunder, without the written consent of the City.

In case the Contractor assigns all or any part of any monies due or to become due under this Contract, the instrument of assignment shall contain a clause substantially to the effect that is agreed that the right of the assignee in and to any monies due or to become due to the Contractor shall be subject to prior claims of all persons, firms or corporations for services rendered or materials supplied for the performance of the work called for in this Contract.

ARTICLE 28  
APPLICABLE LAW

The Law is hereby agreed to be the law of the State of Rhode Island where the Services are situated.

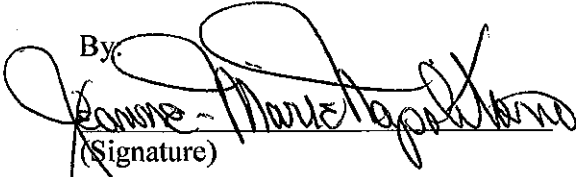
ARTICLE 29  
SUCCESSORS AND ASSIGNS

Each party binds itself, its successors, assigns, executors, administrators, or other representatives to the other party hereto and to successors, assigns, executors, administrators or other representatives of such party in connection with all terms and conditions of this Contract.

CITY

The City of Newport  
City Hall  
43 Broadway  
Newport, RI 02840

By:

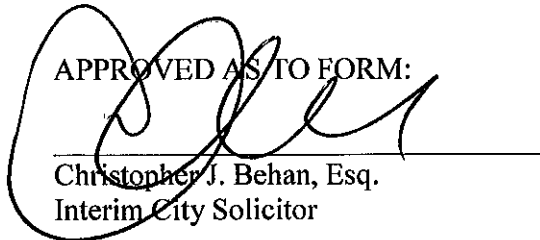


(Signature)

Jeanne Marie Napolitano, Mayor  
(Printed Name and Title)

7/27/15  
(Date of Execution)

APPROVED AS TO FORM:

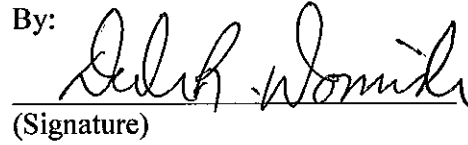


Christopher J. Behan, Esq.  
Interim City Solicitor

CONTRACTOR

First Vehicle Services, Inc.  
600 Vine Street  
Suite 1400  
Cincinnati, OH 45202

By:



(Signature)

Dale Domish, Senior Vice President  
(Printed Name and Title)

\_\_\_\_\_  
(Date of Execution)

**AMENDMENT ONE (1) TO THE  
FLEET MANAGEMENT AND MAINTENANCE SERVICES CONTRACT 15-049  
BETWEEN FIRST VEHICLE SERVICES, INC. AND THE CITY OF NEWPORT, RI**

This Amendment is made this 3<sup>rd</sup> day of June, 2022 by and between the City of Newport, Rhode Island ("the City") and First Vehicle Services, Inc. ("FVS").

WHEREAS, the City and FVS have entered into a Fleet Operations and Maintenance Services Contract commencing on July 1, 2015 and ending on June 30, 2021; and

NOW, THEREFORE, in consideration of the mutual covenants, promises and undertakings contained in the contract and this Amendment, the City and FVS agree as follows:

1. The parties agree to a two (2) year extension commencing on July 1, 2021 and ending on June 30, 2023.
2. The Contract Price for each extension year will be increased based on the lowest of the following three items; (i.) Bureau of Labor Statistics – Consumer Price Index (CPI) for all urban consumers – U.S. City average – Motor vehicle maintenance and repair, (ii.) Bureau of Labor Statistics – Consumer Price Index (CPI) for all urban consumers – U.S. City average – Motor vehicle parts and equipment, or (iii.) Three percent (3%). The reports to be used for adjustments will be based on the December report, typically available mid-January each year. Consumer Price Index data is included in Attachment 1.
3. In accordance with paragraph 2, the Contract Price for the twelve (12) month period commencing on July 1, 2021 and ending on June 30, 2022 is revised from \$676,985.95 to \$679,693.89, an increase of .4% (\$2,707.94).
4. In accordance with paragraph 2, the Contract Price for the twelve (12) month period commencing on July 1, 2022 and ending on June 30, 2023 is revised from \$679,693.89 to \$700,084.71, an increase of 3.0% (\$20,390.82).

Except as amended by this document, the Contract as previously approved remains in full force and effect and legally binding upon the City and FVS.

IN WITNESS WHEREOF, the City and FVS hereto have affixed their respective signatures as the date indicated below:

**CITY OF NEWPORT, RHODE ISLAND**

Attest:

Sharon Leary

BY: 

Name: William R. Riccio, Jr., PE

Title: Director of Public Services

Date: 6/3/22

**FIRST VEHICLE SERVICES, INC.**

Attest:

Julia Messner

BY: 

Name: Bradley Thomas

Title: CEO

Date: May 26, 2022

AMENDMENT TWO (2) TO THE  
FLEET MANAGEMENT AND MAINTENANCE SERVICES CONTRACT 15-049  
BETWEEN TRANSDEV, FORMERLY KNOWN AS, FIRST VEHICLES SERVICES,  
INC. AND THE CITY OF NEWPORT, RHODE ISLAND

This amendment is made this 1<sup>st</sup> day of February 2024, by and between the City of Newport, Rhode Island ("The City") and Transdev, formerly known as First Vehicle Services, Inc.

WHEREAS, the City and Transdev had entered into a Fleet Operations and Maintenance Services Contract commencing on July 1, 2015 and ending June 30, 2021; and

WHEREAS, the City and Transdev had entered into an amendment, per the original contract language, that extended the contract terms through the period July 1, 2021 to June 30, 2023.

NOW, THEREFORE, in consideration of the mutual covenants, promises and undertakings contained in the original and this second and final amendment, the City and Transdev agree as follows:

1. The parties agree to a two (2) year extension commencing on July 1, 2023 and ending on June 30, 2025.
2. The Contract Price for each extension year, or portion thereof, will be based on the lowest of the following three items: (i) Bureau of Labor Statistics – Consumer Price Index (CPI) for all urban consumers – US City Average – Motor Vehicle Maintenance and Repair, (ii) Bureau of Labor Statistics – Consumer Price Index (CPI) for All Urban Consumers – US City Average – Motor Vehicle Parts and Equipment, or (iii) Three percent (3%.) The reports to be used for adjustments will be based on the December report, typically available mid-January each year. Consumer Price Index (CPI) data is included in Attachment 1.
3. In accordance with paragraph 2, the Contract Price for the six (6) month period commencing on July 1, 2023 and ending on December 31, 2023 will remain at \$700,084.71. The second six (6) month period commencing on January 1, 2024 and ending on June 30, 2024 is revised from \$700,084.71 to \$710,585.98, an increase of 3% pro-rated over half (the final six months of) the duration of the first year.
4. In accordance with paragraph 2, the Contract Price for the twelve (12) month period commencing on July 1, 2024 and ending on June 30, 2025 is revised from \$710,585.98 to \$731,192.97, an increase of 2.9%.

- 5. In addition to the above, it is the intention of this amendment to also increase the cap on total number of vehicles eligible for service from 205 to 230. This adjustment is necessary to accommodate the fact that the existing fleet count has increased by twelve units above the existing cap to a new total of 217 units. This new 230-unit cap will include an additional thirteen (13) units above the existing 217 fleet count to allow for any additional services needs of the City thru June 30, 2025. The additional price to accommodate this expansion will be included as an additional 5.9% charge to the monthly bill beginning January 1, 2024 through the conclusion of the contract, that being June 30, 2025.

Except as amended by this document, the contract as previously approved remains in full force and effect and legally binding upon the City and Transdev.

IN WITNESS HEREOF, the City and Transdev hereto have affixed their respective signatures on the dates indicated below:

Attest:

*[Handwritten Signature]*

CITY OF NEWPORT, RHODE ISLAND

By: *[Handwritten Signature]*

Name: WILLIAM R. RICCIARDI

Title: Director of Public Services

Date: 2/1/24

TRANSDEV

Attest:

DocuSigned by:  
Kristina Struck  
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By: DocuSigned by:  
Jason Stack  
80286DF259B3439...

Name: Jason Stack

Title: Region Vice President

Date: 2/1/2024

Motor Vehicle Maintenance and Repair

Consumer Price Index - All Urban Consumers

12-Month Percent Change

Series Id: CUUR0000SETD,CUUS0000SETD

Not Seasonally Adjusted

Area: U.S. city average

Item: Motor vehicle maintenance and repair

Base Period: 1982-84=100

Years: 2010 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2012	2.3	2.4	2.3	2.0	2.0	2.0	1.8	1.7	1.1	1.1	1.3	1.3	1.8		
2013	1.3	1.3	1.4	1.5	1.4	1.4	1.9	1.9	1.9	1.7	1.5	1.6	1.6		
2014	1.5	1.6	1.5	1.6	1.5	1.6	1.5	1.4	1.6	1.9	2.1	2.1	1.7		
2015	2	1.7	1.8	2.1	2.2	2.0	1.8	1.8	1.4	1.4	1.4	1.6	1.8		
2016	1.6	1.5	1.9	1.8	1.7	1.7	1.8	1.9	1.6	1.4	1.9	1.8	1.7		
2017	2.4	2.5	2.1	1.9	1.8	1.4	1.3	1.7	2.5	2.8	1.9	1.8	2		
2018	1.4	1.5	1.5	1.5	1.6	2.3	2.3	2.3	2.2	2	2.7	2.3	2		
2019	2.6	2.8	3.7	3.8	3.4	3.5	3.3	3.8	3.5	3.4	3.2	3.4	3.4	3.3	3.4
2020	3.2	3.5	3.4	3.1	3.7	3.4	3.5	3.2	3.3	3.2	3.6	3.4	3.4	3.4	3.4
2021	3.5	3.1	3.5	3.5	2.8	3.1	4.1	4.2	4.0	5.4	4.9	4.8	3.9	3.3	4.5
2022	4.8	6.3	4.9	5.3	6.1	7.9	8.1	9.1	11.1	10.3	11.7	13.0	8.2	5.9	10.6
2023	14.2	12.5	13.3	13.3	13.5	12.7	12.7	12.0	10.2	9.6	8.5	7.1	11.500	13.2	9.900

12-Month Percent Change

Series Id: CUUR0000SETD,CUUS0000SETD

Not Seasonally Adjusted

Series Title: Motor vehicle maintenance and repair in U.S. city average, all urban consumers, not seasonally adjusted

Area: U.S. city average

Item: Motor vehicle maintenance and repair

Base Period: 1982-84=100



Series Id: CUUR0000SETD,CUUS0000SETD

Not Seasonally Adjusted

Area: U.S. city average

Item: Motor vehicle maintenance and repair

Base Period: 1982-84=100

Years: 2010 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2012	256.405	256.968	256.616	256.544	257.372	257.629	257.423	257.641	258.024	258.578	258.943	258.845	257.582		
2013	259.752	260.234	260.156	260.341	261.065	261.36	262.229	262.497	262.96	263.085	262.934	263.081	261.641		
2014	263.718	264.523	264.146	264.508	265.013	265.656	266.282	266.129	267.256	268.094	268.389	268.588	266.025		
2015	268.869	269.136	268.907	269.948	270.764	270.981	271.175	270.838	271.119	271.804	272.09	272.967	270.717		
2016	273.097	273.072	273.98	274.864	275.331	275.563	276.058	275.923	275.331	275.645	277.348	278.002	275.351		
2017	279.523	279.782	279.6	280.17	280.388	279.294	279.605	280.488	282.203	283.257	282.502	283.107	280.827		
2018	283.305	284.032	283.656	284.367	284.851	285.753	286.067	286.931	288.457	289.057	290.114	289.705	286.358	284.327	288.389
2019	290.758	291.993	294.226	295.266	294.586	295.67	295.377	297.884	298.441	298.925	299.26	299.614	296.000	293.750	298.25
2020	300.112	302.22	304.131	304.376	305.574	305.736	305.573	307.554	308.198	308.569	309.949	309.888	305.990	303.692	308.289
2021	310.662	311.627	314.660	315.177	314.164	315.209	318.031	320.504	320.446	325.095	325.076	324.688	317.945	313.583	322.307
2022	325.448	331.130	329.992	331.735	333.258	340.058	343.678	395.539	356.076	358.597	363.195	366.96	344.139	331.937	356.341
2023	371.780	372.572	373.965	375.890	378.182	383.196	387.159	391.395	392.222	392.861	393.924	392.897	383.829	375.914	391.743

Series Id: CUUR0000SETD,CUUS0000SETD

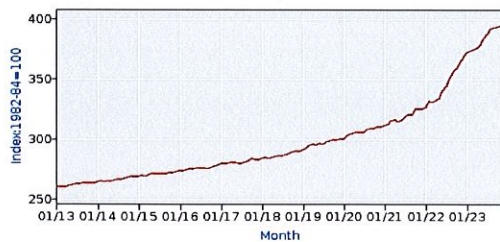
Not Seasonally Adjusted

Series Title: Motor vehicle maintenance and repair in U.S. city average, all urban consumers, not seasonally adjusted

Area: U.S. city average

Item: Motor vehicle maintenance and repair

Base Period: 1982-84=100



- DIV 4-9:** With respect to Account 50275 - Repairs & Maintenance,
- a. Please provide a breakdown of Station One Repairs & Maintenance Expense (155002222-50275) showing the following:
- i. The FY 2025 amounts showing the costs of major repairs such as:
    - a. Rebuilding raw water pumps.
    - b. Replacing variable frequency drives for the finished water pumps.
    - c. Replacement of the Chlorine dioxide systems, etc.
    - d. Repairs and upgrades associated with the Hatch analyzers.
    - e. The cost of service contracts and maintenance of Hatch analyzers.

b. Please provide a breakdown of Lawton Valley Repairs & Maintenance Expense (155002223-50275) showing the following.

  - ii. The FY 2025 amounts showing the costs of major repairs such as:
    - a. Rebuilding raw water pumps.
    - b. Replacing variable frequency drives for the finished water pumps.
    - c. Replacement of the Chlorine dioxide systems, etc.
    - d. Repairs and upgrades associated with the Hatch analyzers.
    - e. The cost of service contracts and maintenance of Hatch analyzers.

**Response:** The itemization of the rate year (FY2025) amounts for Station One and Lawton Valley Repairs and Maintenance are set forth in HJS Schedules D-11 (rows 65-79) and D-12 (rows 58-71). Please note that the totals for each line item could change because repairs and maintenance needs can change. A particular line item could be higher, or lower, in a particular year.

**Prepared by:** Robert C. Schultz, Jr

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 24-30-WW  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The State of Rhode Island  
Division Of Public Utilities And Carriers'  
Data Requests  
Set 4

**DIV 4-10:** Refer to the response to COMM 1-5(d). Please provide the supporting documentation for the current inflation rates estimated at approximately 22.5%.

**Response:** The referenced inflation rate is for the years 2020 through the present to provide context for the overall increases. No inflationary rates or assumptions were included as stated in Newport's response to PWFD DR 1-1.

This is similar to the example of the PPI industry data for plastic pipes mentioned in the responses. The CPI inflation calculator, available at [https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm), indicates that \$1.00 in January 2020 has the same buying power as \$1.22 in July 2024.

**Prepared by:** Robert C. Schultz, Jr.

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 24-30-WW  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The State of Rhode Island  
Division Of Public Utilities And Carriers'  
Data Requests  
Set 4

**DIV 4-11:** Refer to the response to COMM 1-5(e). Please provide the supporting evidence of the Newport City Council rate increase. In your response, provide a workpaper showing the price out of the FY 2025 amount of \$661,353.

**Response:** As noted in the response to Comm. 1-5 (e), the anticipated sewer increase has been delayed, so there is currently no supporting evidence of the increase. In addition, please note that the amount of \$661,353 is the test year amount, not the rate year (FY2025) amount. However, for the price out of the test year amount, this charge includes the expenses in Administration Water (155002000) \$2,015, Station One Sewer (15500222) \$172,841, and Lawton Valley Sewer (1550223) \$486,497 totaling \$661,353.

**Prepared by:** Robert C. Schultz, Jr.

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 24-30-WW  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The State of Rhode Island  
Division Of Public Utilities And Carriers'  
Data Requests  
Set 4

**DIV 4-12:** Refer to the response to COMM 1-5(f)(ii). For FY 2021, 2022, 2023 and 2024 (through the most recent date), please provide an Excel workpaper showing the monthly supply and delivery kWh usage and bill amounts for:

- a. The Reservoir Road Tank.
- b. The Watson Reservoir.

**Response:** Please see Newport Water's responses to Div. 2-16 and 2-19. The electricity for the Reservoir Road Tank is associated with Rhode Island Energy Account Number 83967-34006, and Watson Reservoir is associated with Rhode Island Energy Account Number 01965-86008. Please note that Rhode Island Energy Account Number 83967-34006 was established in July 2023 and has a limited history.

**Prepared by:** Robert C. Schultz, Jr.

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 24-30-WW  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The State of Rhode Island  
Division Of Public Utilities And Carriers'  
Data Requests  
Set 4

**DIV 4-13:** Refer to the response to COMM 1-6. Please explain how the requirement that supervisors have a T3 license increases overtime.

**Response:** Please see the response to Div. DR 3-19 a.

**Prepared by:** Robert C. Schultz, Jr.

- DIV 4-14:** Refer to the response to COMM 1-8.
- a. Please identify the cost savings from the use of the Beacon AMA Software Platform remote meter reading capabilities. Show where the savings are reflected in the cost of service.
  - b. Please identify the number of meter readers before the installation of the Beacon AMA Software Platform and the number of meter readers after implementation of the Beacon AMA Software Platform.
  - c. According to the response to COMM 1-8(b), Newport still has other meters that will be read via drive-by readings that require meter readers. Is it correct that because of the Beacon platform, less meter readers will be needed? If no, please explain. In your response identify the number of meter readers that would be required.

**Response:**

- a. Newport Water's responses to Comm 1-8 relative to savings were specific to customers and not savings to Newport Water. Newport Water *had* to transition to the BEACON® Advanced Metering Analytics (AMA) software platform because the Badger software product had reached the end of its useful life and would no longer receive updates or support. The expenses associated with this transition, including ongoing costs, were unavoidable and lower than switching vendors.
- b. For clarification, the new system can automatically transfer usage data from customers via a cellular network. However, it's important to note that the majority of the water meters and endpoints in Newport's system are not currently cellular-enabled. These meters will continue to be used until they reach the end of their useful life or fail. There is no change in the required number of full-time employees (FTEs). Additionally, it should be noted that the full job title is "Meter Reader Repairman", and these staff members also perform other functions associated with services, such as inspections, leak detection, and cross-connection control.
- c. It is incorrect that the Beacon platform will reduce the need for Meter Reader Repairmen. As of September 10, 2024, we have installed 432 cellular-enabled endpoints. This means that approximately 14,343 endpoints still need to be read through drive-by methods. The system's overall meter age is 13 years, leaving

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 24-30-WW  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The State of Rhode Island  
Division Of Public Utilities And Carriers'  
Data Requests  
Set 4

around 7 years of useful life. If we consider the current pace of upgrades at 12 per week, there will be no change in required staffing for the foreseeable future. Further, there will be no reduction in the other duties referenced in the response to subsection b. above.

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STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 24-30-WW  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The State of Rhode Island  
Division Of Public Utilities And Carriers'  
Data Requests  
Set 4

**DIV 4-15:** Please describe all functions and uses of the City of Newport MIS.

**Response:** The City of Newport's Management Information Systems (MIS) encompasses communication and information systems including phone and broadband. Expenses for these systems include equipment, software maintenance fees, software license fees, and hardware maintenance fees.

**Prepared by:** Robert C. Schultz, Jr.

**DIV 4-16:** Refer to the response to COMM 1-13. Please explain the basis of allocating the MIS costs on the number of employees.

**Response:** The Commission's Docket 4933 Order stated:

"The Commission also expressed concern with the large amounts and increases in City of Newport's MIS costs over the past two years. It noted that the response to the record request that provided this information was absent of any clarity as to the level of service the City was providing with respect to these costs. The Commission ordered that in its next rate case, Newport Water provide evidence and justification for the total amount of City MIS costs, including what portion of those costs are being allocated to Newport Water."

The allocation based on number of Newport's employees was meant to address the Commission's Order and provide an allocation based on the level of service the City provides to Newport Water.

**Prepared by:** Harold Smith and Robert C. Schultz, Jr.

**CERTIFICATION**

I hereby certify that on September 12, 2024, I sent a copy of the within to all parties set forth on the attached Service List by electronic mail and copies to Stephanie De La Rosa, Commission Clerk, by electronic mail and regular mail.

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STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 24-30-WW  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The State of Rhode Island  
Division Of Public Utilities And Carriers'  
Data Requests  
Set 4

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STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 24-30-WW  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The State of Rhode Island  
Division Of Public Utilities And Carriers'  
Data Requests  
Set 4



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