

CITY COUNCIL MEMORANDUM

AGENDA ITEM

FLEET SERVICES MECHANIC TOOLKITS

ORIGINATING DEPARTMENT

Support Services

BACKGROUND INFORMATION

Fleet Services needs to provide the mechanics with effective toolkits and has a unique, resource-efficient, and time-sensitive opportunity to purchase quality toolsets at a significant discount from a national distributor.

The conduct of effective, safe, and timely maintenance operations often hinges on two factors - first, mechanic experience and training and, second, quality facilities and tools. There is no national standard regarding the responsibility to provide mechanic basic toolkits; however, the decision to offload that responsibility to employees can negatively impact an organization's ability to standardize maintenance operations, facilitate training, ensure correct tool-to-task linkages, minimize tool wear and tear, maximize availability of serviceable tools, and enhance employee safety.

The City of Killeen purchases tools for its team of thirteen mechanics. In the past, when replacement tools became difficult to obtain, mechanics brought tools from home in order to complete assigned tasks. Fleet Services eventually purged these tools because of the confusion that mixed ownership creates in terms of accountability; existing toolkits are now a varied mix of older tools from Lowe's (Kobalt), Sears (Craftsman), and Napa (Blackhawk). Replacements are purchased individually and as required. Fleet Services has sustained the use of a common tool room consisting of specialty tools.

DISCUSSION/CONCLUSION

Snap-on is a leading national tool producer and a member of the State of Texas cooperative purchasing network. Research confirms that Snap-on has an excellent reputation and is considered by many professional mechanics to be the gold-standard of tools. Snap-on also uses mobile teams to facilitate timely customer support.

Last year, Snap-on assembled 350 master mechanic toolkits for the federal government; however, the contract was cancelled before the tools were delivered. Each toolkit included SAE (Society of Automotive Engineers) and metric sockets and wrenches, a large securable tool chest, laser cut drawer inserts, and an excellent warranty program. The drawer inserts facilitate accountability, reduce wear and tear, and are normally expensive and purchased separately.

Snap-on recently offered these toolkits for sale to the general public. Fleet Services learned of the offer and explored options with Snap-on's government rep in San Antonio. The optimum solution for Fleet Services given current personnel authorizations is fourteen (14) toolkits, one each for thirteen (13) authorized mechanics and one (1) shared by the three lube techs.

The tools in these kits retail for \$44,061.50 when purchased individually. Snap-on's initial offer was a promotional price of \$16,785 per kit. It then offered an additional 35% discount of \$5,875 if the City of Killeen ordered a minimum of fourteen (14) kits. The total cost per kit would be \$10,910.58.

Of the 350 original kits, less than 50 remain. Snap-on agreed to reserve fourteen sets for the City of Killeen pending council approval.

Support Services contacted a number of organizations to ask how they manage tools. Results varied.

TXDOT provides mechanic toolkits and purchased ~ 350 similar kits from Snap-on.
Denton provides starter toolkits, if required, and an annual \$650 tool allowance.
Fort Worth provides starter toolkits, if required, but no tool allowance.
Austin does not provide toolkits but provides an annual \$1,000 tool allowance.
Temple does not provide toolkits but provides an annual \$900 tool allowance.
Georgetown provides toolkits but no tool allowance.
Johnson Brothers Ford and Toyota of Killeen do not provide toolkits.
Volkswagen and Mercedes Benz dealers are transitioning to providing toolkits.

The purchase of these toolkits would enable Fleet Services to standardize its tool inventory, ensure correct tool to task linkages, minimize wear and tear, and maximize employee safety. Accountability would be enforced using 10% monthly inventories, 100% inventories on change of hand receipt holders, and loss/damage reimbursement mechanisms. It would also reinforce the progress Fleet Services is making in overall maintenance operations and mechanic recruitment and retention.

FISCAL IMPACT

The cost to purchase fourteen master mechanic toolkits from Snap-on leveraging TXMAS contracts 3-51V-010 and 445-A1 is \$152,748.12. Purchases through a cooperative satisfy the bidding requirements of Texas Local Government Code 271.102.

RECOMMENDATION

Staff recommends the city manager be authorized to take all actions necessary to purchase fourteen master mechanic toolkits from Snap-on for Fleet Services.