



**Council
Communication**
Office of the City Manager

Date

April 24, 2006

Agenda Item No. 60

Roll Call No. 06-

Communication No. 06-215

Submitted by: William G. Stowe, Assistant City
Manager/Public Works/Engineering

AGENDA HEADING:

Approving Fleet Services Parts Operation Contract with Genuine Parts Company d/b/a NAPA Auto Parts

SYNOPSIS:

On November 21, 2005, by Roll Call No. 05-2847, the City Council authorized staff to issue a Request for Proposals (RFP) for management of the Public Works Department's Fleet Services parts operation. A contract has now been negotiated with Genuine Parts Company, d/b/a NAPA Auto Parts. Approval of the contract is recommended.

FISCAL IMPACT:

Amount: \$1,900,000. Estimated General Fund savings of \$90,000 to \$120,000.

Funding Source: 2005-2006 Operating Budget: Fleet Service Parts Fund IS010 PWK011500, page 321.

ADDITIONAL INFORMATION:

Based on evaluations of responses to the RFP, Genuine Parts Company, d/b/a NAPA Auto Parts, can provide the range of parts procurement and supply services necessary for the repair and maintenance of City equipment at the Public Works Central Garage. Implementation of this contract is projected to reduce parts costs through the company's nationwide purchasing program requirements. Downtime of City vehicles and equipment should be reduced due to an expanded inventory and increased parts on demand from the provider.

Genuine Parts Company provides this service to 175 governmental agencies nationwide. Other municipalities have decreased parts costs on the average of more than five percent. A comparable percentage decrease in the City's Fleet Services Parts Budget would result in a savings of \$90,000 to \$120,000. Increased efficiency in repair and maintenance operations is also anticipated due to the greater on-line availability of required parts. Implementation of this proposal will not adversely impact City employees who have been reassigned from the City's parts function to other Fleet Services operations.

PREVIOUS COUNCIL ACTION(S):

Date: November 21, 2005

Roll Call Number: 05-2847

Action: Issuance of Request for Proposals to solicit provider for operation of City of Des Moines Fleet Services parts function. (Council Communication No. 05-659) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

Date:

Roll Call Number:

Action:

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Contract renewal after successful execution of initial three-year term. Renewal would be by mutual agreement of City and Genuine Parts Company.