



Council Communication

Office of the City Manager

Date

June 22, 2009

Agenda Item No. 39

Roll Call No. 09-

Communication No. 09-401

Submitted by: Merrill Stanley, Deputy City Manager

AGENDA HEADING:

Approving the selection of Genuine Parts Company d/b/a NAPA Auto Parts for parts procurement, on-site operations and related services.

SYNOPSIS:

Approving the selection of Genuine Parts Company d/b/a NAPA Auto Parts, Lee Mayer, Vice President, Midwest Division, 2222 East Douglas, Des Moines, Iowa 50305, to provide Fleet parts and related services and approving the City Manager to negotiate a contract to be approved by the Legal Department and executed by the Mayor. The contract will be for one three-year period, with the option for one three-year renewal.

FISCAL IMPACT:

Amount: Estimated \$3,000,000 annually

Funding Source: FY2009-1010 Equipment Maintenance Center Fund, Fleet Services Parts, IS010, CMO011500, Operating Budget, page 52.

ADDITIONAL INFORMATION:

NAPA Auto Parts has successfully provided parts procurement and supply services to the City since April 2006, under contract to provide all staffing and related services to Fleet Services for vehicle and equipment parts. The initial contract was for a period of three years with a renewal provision for up to one three-year term. At the end of the initial three year period, staff negotiated terms of a renewal agreement, but renewal proposals from NAPA Auto Parts were not acceptable to staff. Therefore, a new RFP was developed and issued.

Two proposals were submitted and reviewed by the evaluation committee. The proposal from NAPA Auto Parts was determined to be the better response, based on evaluation criteria, and resulted in a lower cost proposal than the one last considered during renewal negotiations. Total parts costs have risen during the last three years due to an aging fleet and reduced replacement funding. Also, overall cost increases associated with steel, steel components, consumables and maintaining a fully automated solid refuse collection fleet have resulted in an increase in the parts budget. The NAPA Auto Parts proposal and resulting contract will provide parts at cost plus 7% and tires and fluids at cost plus 5%, will cap annual staffing costs annually for the length of the contract and any renewal, will limit operational expenses to the contractor's actual costs, and will include performance benchmarks and increased performance monitoring over the previous contract.

Proposed parts costs, staffing and operating costs were compared to projected costs of a City managed operation. The proposed contracted costs were less than City managed costs, due to lower staffing costs and inventory carrying costs.

PREVIOUS COUNCIL ACTION(S):

Date: April 20, 2009

Roll Call Number: 09-650

Action: Approving Short-term renewal addendum to contract for on-site fleet services parts procurement and supply services with Genuine Parts Company d/b/a NAPA Auto Parts. (Council Communication No. 09-234) Moved by Vlassis to approve. Motion Carried 7-0.

Date: April 24, 2006

Roll Call Number: 06-853

Action: Proposal for the provision of On-site Fleet Services Part Procurement and Supply Services and approving contract with Genuine Parts Company, d/b/a NAPA Auto Parts. (Council Communication No. 06-215)

) Moved by Kiernan to approve. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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