

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	December 21, 2015
	Agenda Item No.	37
	Roll Call No.	[_____]
	Communication No.	<u>15-648</u>
	Submitted by:	Carl Metzger, Deputy City Manager

AGENDA HEADING:

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

SYNOPSIS:

Approving the selection of NAPA, Dennis Gibbs, Vice President, Midwest Division, 2222 East Douglas, Des Moines, Iowa 50305, to provide Fleet parts and related services and authorizing and directing the City Manager to execute the resulting contract. The contract will be for one (1) 3-year period, with the option for one (1) 3-year renewal.

FISCAL IMPACT:

Amount: Estimated \$3,400,000 annually

Funding Source: Equipment Maintenance Center Fund I010 CM024024 Fiscal Year (FY) 2016 Operating Budget, page 29

ADDITIONAL INFORMATION:

An initial investigation in 2005 into contracting for Fleet parts procurement and on-site inventory management and disbursement services resulted in interest from several providers who could provide greater discounts through nationwide purchasing and provide the City an opportunity to reduce inventory carrying costs.

Based on evaluations of responses to the a Request for Proposals (RFP) in 2006, NAPA, was awarded an initial contract to provide the range of parts procurement and supply services necessary for the repair and maintenance of City’s vehicles and equipment maintained by Fleet Services Division. Total parts costs have risen since 2006 due to an aging fleet and reduced replacement funding. Initial contracts reduced parts costs through nationwide purchasing programs and alternate supply sources. Downtime of City vehicles and equipment was reduced due to an expanded inventory and increased parts on demand from the provider. Increased efficiency in repair and maintenance operations has been realized due to the greater on-line availability of required parts. Genuine Parts Company provides this service to over 200 governmental agencies nationwide.

On September 1, 2015, the Procurement Division issued a RFP (V16-025) for Fleet Services Turnkey Parts Operation and received two (2) proposals in response. The two (2) proposals were reviewed and

evaluated by a selection committee comprised of members from several City departments. The proposal from NAPA was determined to be the better response, based on evaluation criteria.

The NAPA proposal and resulting contract will provide parts at cost plus 7%; additionally, tires, tire service, fluids, lubricants, oils, coolants, shop supplies, minor tools and equipment at cost plus 5%. The contract will cap annual staffing costs for the length of the contract, and will limit operational expenses to the contractor's actual costs and will include performance benchmarks and increased performance monitoring over the previous contract.

NAPA has successfully provided parts procurement and supply services to the City since April 2006, under contracts to provide all staffing and related services to Fleet Services for vehicle and equipment parts. NAPA was the successful proposer to an RFP solicitation in 2009. The 2009 contract was renewed in 2012 for an additional 3-years through 2015. That contract had no additional renewals and a RFP was developed and sent to potential suppliers of parts procurement services. Due to the long-term success and cost savings of contracted parts operation with services from NAPA, staff recommends approving the selection of NAPA for parts procurement, on-site operations and related services.

PREVIOUS COUNCIL ACTION(S):

Date: October 26, 2015

Roll Call Number: [15-1795](#)

Action: [Exception](#) to the procurement ordinance competitive process requirements for good cause and approving second renewal addendum to contract for the provision of on-site fleet services parts procurement and supply services with Genuine Parts Company d/b/a NAPA Auto Parts. ([Council Communication No. 15-558](#)) Moved by Hensley to approve. Motion Carried 6-1. Absent: Mahaffey.

Date: July 13, 2015

Roll Call Number: [15-1167](#)

Action: [Exception](#) to the procurement ordinance competitive process requirements for good cause and approving short-term renewal addendum to contract for the provision of on-site Fleet Services parts procurement and supply services with Genuine Parts Company. ([Council Communication No. 15-360](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: June 22, 2009

Roll Call Number: [09-1101](#)

Action: [Proposal](#) for on-site fleet services parts procurement and supply services with Genuine Parts Company d/b/a NAPA Auto Parts. ([Council Communication No. 09-401](#)) Moved by Vlassis to approve. Motion Carried 7-0.

Date: April 24, 2006

Roll Call Number: [06-0853](#)

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.

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

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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