

COUNCIL COMMUNICATION

	Number:	22-066	Meeting:	February 21, 2022
	Agenda Item:	34	Roll Call:	22-0254
	Submitted by:	Nickolas Schaul, Finance Director		

AGENDA HEADING:

Approving agreement for Fleet Service Parts operation.

SYNOPSIS:

Approving a contract for the provision of on-site fleet services parts procurement, and supply services utilizing Sourcewell Purchasing contract number 110520-GPC with Genuine Parts Company (d/b/a NAPA Auto Parts {NAPA} Dennis Gibbs, Vice President, Midwest Division, 2222 East Douglas, Des Moines, Iowa 50305), to run concurrent with the Sourcewell contract through December 29, 2024.

FISCAL IMPACT:

Amount: \$3,000,000 annually, estimated.

Funding Source: FY 2022-2023 Recommended Operating Budget, page 80, I010 FN024024 Fleet Services Parts.

ADDITIONAL INFORMATION:

- This new agreement contained terms and conditions for NAPA to provide parts at cost plus 7%; additionally, tires, tire service, fluids, lubricants, oils, coolants, shop supplies, and minor tools and equipment are provided at cost plus 5%. The agreement also caps annual operating and staffing costs for the term of the contract and limits operational expenses to the contractor's actual costs as shown below.

NAPA Operational Expense Annual Limits		
Year 1	Year 2	Year 3
\$355,240	\$369,450	\$387,922

- NAPA has successfully provided parts procurement and supply services to the City since April 2006, under various contracts to provide all staffing and related services to Fleet Services for vehicle and equipment parts. NAPA was the successful proposer to an initial and subsequent Request For Proposal (RFP) solicitations. Over the course of the duration of previous RFP solicitations less responses were received at increasingly higher cost margins from other respondents. The resulting agreement recommended for approval has terms and conditions that are consistent with previous RFP awards and at lower costs than the base Sourcewell contract offering.
- Due to the long-term success of contracted parts operation with services from NAPA, staff recommends approving this new agreement for NAPA for parts procurement, on-site operations and related services using the Sourcewell contract options.

PREVIOUS COUNCIL ACTION(S):

Date: December 20, 2021

Roll Call Number: [21-1936](#)

Action: [Sixty-Day](#) extension to the existing purchasing agreement with NAPA Auto Parts. Moved by Boesen to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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