



Legislation Details (With Text)

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Title:	AUTHORIZATION FOR THE RATIFICATION OF EXPENDITURES WITH HEMPELMAN AUTO PARTS CO., DOING BUSINESS AS NAPA AUTO PARTS, FOR ONSITE AUTOMOTIVE AND HEAVY EQUIPMENT PARTS, REPAIR AND SERVICES, AND AUTHORIZATION TO ENTER INTO AMENDMENT NO. 1 TO THE AGREEMENT TO INCREASE EXPENDITURE AUTHORITY Staff Contact: Jack Friedline, Director, Public Works				

Sponsors:

Indexes:

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Attachments: 1. Amendment No. 1

Date	Ver.	Action By	Action	Result
1/24/2017	1	City Council	approved	Pass

AUTHORIZATION FOR THE RATIFICATION OF EXPENDITURES WITH HEMPELMAN AUTO PARTS CO., DOING BUSINESS AS NAPA AUTO PARTS, FOR ONSITE AUTOMOTIVE AND HEAVY EQUIPMENT PARTS, REPAIR AND SERVICES, AND AUTHORIZATION TO ENTER INTO AMENDMENT NO. 1 TO THE AGREEMENT TO INCREASE EXPENDITURE AUTHORITY

Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for City Council to ratify the expenditure of funds with Hempelman Auto Parts Co., doing business as (dba) NAPA Auto Parts (NAPA) in an amount of \$232,140.57 above the approved amount of \$1,476,762 for the purchase of onsite automotive and heavy equipment parts, repair and services rendered in Fiscal Year (FY) 2015-16, for a total amount of \$1,708,902.57, and to authorize the City Manager to enter into Amendment No. 1 to the Agreement, Contract No. C-10079-1, to increase the total expenditure authorization by \$1,400,000, for a not to exceed amount of \$9,083,810 for the entire Agreement term of five years.

Background

The Public Works Department's Fleet Management Division provides critical repair and maintenance services to the city's inventory of over 1,300 vehicles and pieces of equipment. Since 2004, the city has contracted with a vendor to provide for onsite parts management services, allowing the division to maintain increased parts availability, while providing better service to our customers by improving the number of vehicles in service

daily, and reducing vehicle downtime with fewer maintenance hours due to delays in parts acquisition.

On February 9, 2015, Materials Management received 8 proposals to Request for Proposals (RFP) 15-13 for onsite automotive and heavy equipment parts, repair and services, and NAPA was found to have submitted the most responsive and responsible proposal. On June 23, 2015, City Council approved an Agreement, Contract No. C-10079, for an initial two year term, with three, one-year renewals, for a not to exceed amount of \$7,683,810 over the entire term, and a not to exceed amount of \$1,476,762 for FY 2015-16.

Analysis

On March 23, 2015, the Fleet Management Division extended their hours of operation to add a second shift through 11:00 p.m. This operational change increased contract costs, including the purchase of an additional parts delivery truck and additional NAPA personnel to staff the second shift parts operation. The additional amount of \$232,140.57 exceeded the authorized expenditure limit for FY 2015-16 and requires ratification.

Fleet Management has projected costs, including the additional shift, to be consistent when adjusted for inflation through FY 2019-20 (initial term plus renewals), and is thus requesting an increase of \$1,400,000, for a total increase of original award to \$9,083,810.

Previous Related Council Action

On June 23, 2015, City Council authorized entering into an agreement with NAPA, Contract No. C-10079, for on-site automotive and heavy duty equipment parts, repair, and services in an amount not to exceed \$7,683,810 over the entire, five year term.

Community Benefit/Public Involvement

A contract with NAPA has increased benefits using NAPA's nationwide supply chain network and operational expertise. Adding the second shift has allowed the city's Fleet Management Division to reduce vehicle and equipment downtime for repair and service. By reducing vehicle downtime to internal customers including Fire, Police, Solid Waste, and Water Services, the Fleet Management Division has achieved the goal of improved services to the community.

Budget and Financial Impacts

Funding is available in the Public Works Department operating and maintenance budget. Expenditures with NAPA for FY 2015-16 were \$1,708,902.57, an increase of \$232,140.57 from the original approved amount of \$1,476,762. The increase in expenditures with NAPA are not to exceed \$1,400,000, for a not to exceed amount of \$9,083,810 for the entire Agreement term of five years.

Cost	Fund-Department-Account
\$1,400,000	2590-18302-523000, Parts Store Operations

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?