

City of Sacramento

Legislation Text

File #: 2018-01618, **Version:** 1

Title:

Contract Supplement: Genuine Parts Company dba NAPA Auto Parts [Published for 10-Day Review 12/06/2018]

File ID: 2018-01618

Location: Citywide

Recommendation:

Pass a Motion: 1) approving Contract Supplement No. 2 to City Agreement 2015-0933 with Genuine Parts Company dba NAPA Auto Parts; 2) authorizing the City Manager or the City Manager's designee to execute Contract Supplement No. 2 in an amount not to exceed \$1,944,000 with Genuine Parts Company dba NAPA Auto Parts, for a revised total not-to-exceed amount of \$5,717,000; and 3) resetting the City Manager's contract supplement authority.

Contact: Norm Colby, Facilities Superintendent (916) 808-8335, Matt Winkler, Program Specialist (916) 808-5579; James Christensen, Facilities Manager, (916) 808-5863, Department of Public Works

Presenter: None

Attachments:

1-Description/Analysis

2-Contract Supplement No. 2

Description/Analysis

Issue Detail: The Department of Public Works, Facilities and Real Property Management Division, is currently utilizing the Integrated Business Solutions (IBS) provided by Genuine Parts Company dba NAPA Auto Parts to purchase parts and supplies for maintenance and repair of City facilities. The original contract amount of \$3.5 million for five years was based on the best estimate available at the time. However, cost increases, increases in workload, and the utilization of the IBS program for purchasing parts for small capital improvement projects have resulted in a higher utilization rate than originally estimated. Based on current purchasing trends of about \$1,080,000 per year, staff is

recommending that the contract be increased by \$1,944,000 to have sufficient spending authority for the duration of the contract, which runs through June 2020.

Policy Considerations: The recommendation in this report is consistent with the City's policies and goals of using innovation and technology to improve accountability and efficiencies in the City services.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): No environmental review is necessary because the recommendation in this report involves the purchase of supplies and is not considered to be a project pursuant to Section 15378(b)(2) of the CEQA Guidelines.

Sustainability: Not applicable

Commission/Committee Action: None

Rationale for Recommendation: On June 23, 2015, City Council awarded a five-year contract to Genuine Parts Company dba NAPA Auto Parts for the facilities maintenance supply parts and inventory program in an amount not to exceed \$3.5 million. The forecasting years used to establish the spending authority for the contract were fiscal years 2011 to 2014. The forecasting method did not anticipate future cost increases, increases in workload, and the utilization of the IBS program for purchasing parts for small capital improvement projects. The IBS program has been successful and beneficial to the City and without the program in place additional staffing levels would be required to keep the same standard of customer service and response time demanded of the Department of Public Works, Facilities and Real Property Management Division.

Financial Considerations: The five-year NAPA Auto Parts contract was awarded with a not-to-exceed total of \$3.5 million. Contract Supplement No. 1 was executed to increase the contract by \$273,000 to make the new contract amount \$3,773,000. To continue utilizing the IBS program for the duration of the contract (approximately 18 months through June 24, 2020), staff recommends increasing the spending authority by \$1,944,000 for a total not-to-exceed amount of \$5,717,000. The \$1,944,000 increase is based on an average spending of \$90,000 per month for 18 months and a 20% contingency to cover any additional spending increases. Sufficient funding is available in the Department of Public Works, Facilities and Real Property Management Division's operating budget (General Fund, Fund 1001) to make purchases for the 2018/19 fiscal year. Purchases after this fiscal year though the end of the contract are subject to funding availability in the adopted budget of the applicable fiscal year.

Local Business Enterprise (LBE): Genuine Parts Company is an LBE.