

PALM BEACH COUNTY

BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:

June 2, 2020

☒ **Consent**

[] Regular

☐ Ordinance ☐ Public Hearing

☐ **Public Hearing**

Department:

Submitted By: Facilities Development & Operations

Submitted for: Fire Rescue

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to

A) **Approve** Second Amendment (“Amendment”) to the First Restated Vehicle and Equipment Parts Management and Supply Agreement (“Agreement”) with Genuine Parts Company d/b/a NAPA (NAPA) for onsite integrated inventory management services for Facilities Development & Operations/Fleet Management Division (FDO/Fleet) and Fire Rescue Support Services (“Fire Rescue”) extending the term for an additional 12 months through July 21, 2021 at an estimated cost of \$6,742,795; and

B) Authorize County Administrator or designee, who in this case shall be the Director of Purchasing to execute the Amendment on behalf of the Board.

Summary: NAPA has been providing on-site integrated inventory management services to FDO/Fleet since 2012 (R2012-1322) and then via a new agreement executed in 2015 (R2015-1788) and then restarted in 2016 (AIS November 1, 2016 #3H-7) to add similar services for Fire Rescue. The Agreement is set to expire on July 22, 2020 and this Amendment will extend the term for an additional 12 months through July 21, 2021. Under the Agreement, NAPA provides to both FDO/Fleet and to Fire Rescue comprehensive in-house store automotive parts functions including the provision of all materials, equipment, parts and supplies required for operation and maintenance with no less than an eighty percent (80%) in-stock availability for all parts requested. The Agreement provides that the County will pay NAPA: (i) 10% above both NAPA Product Costs and Non-NAPA Product Costs (except for parts over \$3500 the markup is only 5%); and (ii) for operational costs that were included within the annual budget approved by the County during its normal budget process. NAPA provides on-going review and adjustment of inventory, access to automotive and heavy-duty replacement parts and delivery of non-stocked parts. The inventory includes NAPA Products as well as Non-NAPA Products, based on FDO/Fleet and Fire Rescue's individual requirements. The Agreement was made in accordance with the Palm Beach County Purchasing Code, which authorizes the County to purchase services and supplies from a competitively bid proposal or contract secured by another governmental entity or government-related association, in this case the National Joint Powers Alliance (NJPA) Contract No. 010511-GPC, now known as the Sourcewell Contract No. 061015-GPC (the Sourcewell Contract). The County chose the Sourcewell Contract to piggyback due to its favorable terms. The Sourcewell Contract which was the subject of this County piggyback has been extended by Sourcewell through July 21, 2021. Accordingly, FDO/Fleet and Fire Rescue desire to amend the Agreement to extend the Agreement through July 21, 2021. The Agreement contains local preference language for all parts and products purchased. This Amendment adds to the Agreement a Small Business Enterprise (SBE) price preference for all parts and products purchased and adds the County's standard language regarding the Equal Business Opportunity (EBO) Ordinance. The Office of Equal Business Opportunity has approved this extension.

(FDO/Fleet/Purchasing) Countywide (LDC)

Background & Justification:

Background and Justification - Page 3

Attachments:

Second Amendment to the First Restated Agreement – Vehicle and Equipment Parts Management and Supply

Recommended by:

Department Director

Date _____

Department Director

Date _____

Approved by:

County Administrator

Date _____

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2020	2021	2022	2023	2024
Capital Expenditures	<u>0</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Operating Costs	<u>1,734,690</u>	<u>5,008,105</u>	<u>0</u>	<u>-0-</u>	<u>-0-</u>
External Revenues	<u>0</u>	<u>0</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Program Income (County)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
In-Kind Match (County)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
NET FISCAL IMPACT	<u>1,734,690</u>	<u>5,008,105</u>	<u>0</u>	<u>-0-</u>	<u>-0-</u>

ADDITIONAL FTE
POSITIONS (Cumulative)

Is Item Included in Current Budget? Yes X No

	FY 20	FY 21
FDO/Fleet	\$ 763,690	\$2,598,196
Fire Rescue	\$ 971,000	\$2,409,909
	\$ 1,734,690	\$5,008,105

Does this item include the Use of Federal Funds? Yes x No

Budget Account Nos:

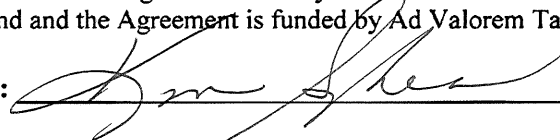
FDO/Fleet - Fund 5000 Department 410 Unit 7220 Object Various
Fire Rescue - Fund 1300 Department 440 Unit 4211 Object Various

Reporting Category

B. Recommended Sources of Funds/Summary of Fiscal Impact:

FDO/Fleet is an Internal Service Fund and the Agreement is fully funded from revenue received from Fleet's customers.
Fire Rescue is a Special Revenue Fund and the Agreement is funded by Ad Valorem Taxes and User Fees.

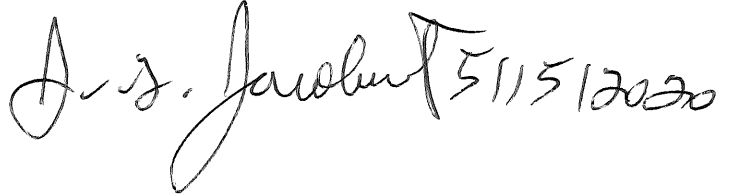
C. Departmental Fiscal Review:



III. REVIEW COMMENTS:

A. OFMB Fiscal and/or Contract Development & Control Comments:

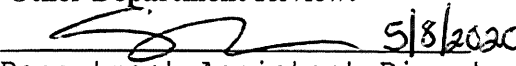
OFMB 5/8/2020 LM 518
Contract Dev. and Control



B. Legal Sufficiency:


Assistant County Attorney 5/8/2020

C. Other Department Review:


Department Assistant Director, Purchasing
This summary is not to be used as a basis for payment.

Background & Justification:

The County's Agreement with NAPA to provide inventory management services to FDO/Fleet and Fire Rescue is set to expire on July 22, 2020, and this Amendment will extend the term for an additional 12 months through July 21, 2021. Under the Agreement, NAPA provides to both FDO/Fleet and to Fire Rescue comprehensive in-house store automotive parts functions including the provision of all materials, equipment, parts and supplies required for operation and maintenance with no less than an eighty percent (80%) in-stock availability for all parts requested.

By outsourcing FDO/Fleet's and Fire Rescue's automotive parts function, the County eliminated responsibility for excess inventory and parts obsolescence, increased the quality of service/performance and realized cost savings by reducing the departments' procurement and transaction management activities. The Agreement requires NAPA to meet a quality of service/performance measurement of 80% fill rate (percentage of time that a technician can receive a parts order on the first trip to the parts counter.) NAPA has consistently met or exceeded this measurement which decreases equipment downtime and increases the productivity of the technicians.

The Agreement provides that the County will pay NAPA: (i) 10% above both NAPA Product Costs and Non-NAPA Product Costs (except that the markup for parts over \$3,500 is only 5%); and (ii) for operational costs that were included within the annual budget approved by the County during its normal budget process. NAPA has guaranteed parts pricing for: (i) Non-NAPA Products at the price paid by NAPA to the vendor for such product; and (ii) NAPA Products at the price NAPA charges for such products sold to NAPA stores in which NAPA does not have an ownership interest, less any manufacturer rebates.

Any additional services requested by the County must be formalized in a written modification to the Agreement except that without invalidating the Agreement, the County, through its Director of Purchasing, reserves the right to issue increases or decreases to the authorized expenditure; provided that, increases of more than ten percent (10%) which reach or exceed two hundred thousand dollars (\$200,000) per annum must be approved by the Board. After a Board approval of an increased authorized expenditure amount, the Director of Purchasing may authorize increases of up to ten percent (10%) of the increased authorized expenditure amount.

The Agreement requires NAPA to purchase from a Palm Beach County vendor (Local Vendor) provided that the Local Vendor can meet all product specifications (including timeliness of delivery) and costs do not exceed 5% of the price by which NAPA can obtain the part meeting identical specifications (including timeliness of delivery) from a non-Local Vendor. This local preference applies to all parts. During the most recent year of the contract, NAPA achieved 43% local participation on parts of which 4% was by Glades vendors.

This Amendment adds a requirement that NAPA purchase from a County certified SBE provided that the SBE can meet all product specifications (including timeliness of delivery) and costs do not exceed 10% of the price by which NAPA can obtain the part meeting identical specifications (including timeliness of delivery) from a non-SBE. This SBE price preference applies to all parts and products. This SBE price preference is part of a pilot program under the County's EBO PPM for contracts where the County has outsourced the procurement function.

Under the Agreement, NAPA handles all manufacturer warranty claims on behalf of the County, and the Agreement has always provided that the manufacturer's warranty is the sole remedy for defective parts and all other express or implied warranties for parts are waived.

The Agreement was made in accordance with the Palm Beach County Purchasing Code, which authorizes the County to purchase services and supplies from a competitively bid proposal or contract secured by another governmental entity or government-related association, in this case the National Joint Powers Alliance (NJPA) Contract No. 010511-GPC, now known as the Sourcewell Contract No. 061015-GPC (the Sourcewell Contract). The County chose the Sourcewell Contract to piggyback due to its favorable terms. The Sourcewell Contract which was the subject of this County piggyback has been extended by Sourcewell through July 21, 2021. Accordingly, FDO/Fleet and Fire Rescue desire to amend the Agreement to extend the Agreement through July 21, 2021.

SECOND AMENDMENT TO FIRST RESTATED AGREEMENT

This Second Amendment ("Second Amendment") to First Restated Agreement is made as of _____, 2020, with an effective date of July 22, 2020, by and between Palm Beach County, a political subdivision of the State of Florida ("County"), and Genuine Parts Company, a Georgia corporation, qualified to do business in the State of Florida d/b/a NAPA, whose Federal Employer Identification Number is 58-0254510 ("Contractor").

RECITALS

WHEREAS, the parties hereto have previously entered into that certain First Restated Agreement, Vehicle and Equipment Parts Management and Supply Agreement, effective November 1, 2016 (the "Agreement");

WHEREAS, the parties hereto have previously entered into that certain First Amendment to the Agreement, effective January 5, 2018 (the "First Amendment"); the Agreement and the First Amendment collectively shall be referred to herein as the "NAPA Agreement";

WHEREAS, the NAPA Agreement was made in accordance with the Palm Beach County Purchasing Code, which authorizes the County to purchase services and supplies from a competitively bid proposal or contract secured by another governmental entity or government-related association, in this case the National Joint Powers Alliance ("NJPA") Contract No. 010511-GPC, now known as the Sourcewell Contract No. 061015-GPC (the "Sourcewell Contract"). The County chose this contract to piggyback due to its favorable terms. The Sourcewell Contract which was the subject of this County piggyback has been extended by Sourcewell through July 21, 2021. Accordingly, the parties to the NAPA Agreement desire to extend the NAPA Agreement through July 21, 2021; and

WHEREAS, the parties to the NAPA Agreement believe it to be in each of their best interests to extend the NAPA Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto agree as follows:

1. **RECITALS**. The above recitals are true and correct and incorporated herein.
2. **TERM EXTENSION**. This Second Amendment extends the NAPA Agreement through July 21, 2021.

3. **CONTRACTOR REPRESENTATION.** The Contractor certifies that it is still in compliance with the requirements pertaining to scrutinized companies under Florida Statutes Section 287.135.

4. **NAPA AGREEMENT MODIFICATIONS AND ADDITIONS.** The following provisions of the NAPA Agreement are modified as follows:

Section 2.2 of the NAPA Agreement is amended by adding the following new sentence to that section:

FDO/Fleet shall serve as the lead County department for the administration of this Agreement.

New Section 4.6 is added to the NAPA Agreement as follows:

4.6 SBE Preference

4.6.1 Parts. Contractor will be required to utilize a County certified Small Business Enterprise (“SBE”) for Parts provided that the SBE can meet all product specifications (including timeliness of delivery) and costs do not exceed 10% more than the price which Contractor can obtain the Part meeting identical specifications from a non-SBE. Upon request, County shall provide to Contractor a list of all County certified SBEs specific to Contractor’s Parts needs and operations under this Agreement.

4.6.2 Outreach Coordination with the County’s Office of Equal Business Opportunity (EBO). Contractor shall work closely with the County’s Office of EBO to identify SBEs that can provide the required Parts.

4.6.3 SBE Price Preference Priority. A business that receives an SBE price preference will not also receive a local preference. The SBE price preference will have priority over the local preference to the extent that the application of the local preference would result in the purchase from a non-SBE firm when an SBE firm meets the requirements of this Section 4.6.

Paragraph 8.7.1 of Section 8.7 of the NAPA Agreement is deleted in its entirety and replaced with the following:

8.7.1 Nondiscrimination. The County is committed to assuring equal opportunity in the award of contracts and complies with all laws prohibiting discrimination. Pursuant to Palm Beach County Resolution R2017-1770, as may be amended, the Contractor warrants and represents that throughout the term of the Agreement, including any renewals thereof, if applicable, all of its employees are treated equally during employment without regard to race, color, religion, disability, sex, age, national origin, ancestry, marital status, familial status, sexual orientation, gender identity or expression, or genetic information. Failure to meet this requirement shall be considered default of the Agreement.

As a condition of entering into this Agreement, the Contractor represents and warrants that it will comply with the County's Commercial Nondiscrimination Policy as described in Resolution 2017-1770, as amended. As part of such compliance, the Contractor shall not discriminate on the basis of race, color, national origin, religion, ancestry, sex, age, marital status, familial status, sexual orientation, gender identity or expression, disability, or genetic information in the solicitation, selection, hiring or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall the Contractor retaliate against any person for reporting instances of such discrimination. The Contractor shall provide equal opportunity for subcontractors, vendors and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that nothing contained in this clause shall prohibit or limit otherwise lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the County's relevant marketplace in Palm Beach County. The Contractor understands and agrees that a material violation of this clause shall be considered a material breach of this Agreement and may result in termination of this Agreement, disqualification or debarment of the company from participating in County contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party. Contractor shall include this language in its subcontracts.

New Paragraph 8.7.4 is added to Section 8.7 of the NAPA Agreement as follows:

8.7.4 Equal Business Opportunity Program. It is the policy of the Board of County Commissioners of Palm Beach County, Florida (the "Board") that all segments of its business population including, but not limited to, small, local, minority and women owned businesses ("S/M/WBEs"), have an equitable opportunity to participate in the County's procurement process, prime contract and subcontract opportunities. In pursuance of that policy, the Board adopted an Equal Business Opportunity (EBO) Ordinance which is codified in Sections 2-80.20 through 2-80.30 (as may be amended) of the Palm Beach County Code. The EBO Ordinance sets forth the County's requirements for the EBO program, and is incorporated herein and made part of this Agreement. Non-compliance with the EBO Ordinance must be corrected within fifteen (15) days of notice of non-compliance. Failure to comply with the EBO Ordinance may result in any of the following penalties:

- Suspension of Agreement;
- Withholding of funds;
- Termination of the Agreement based upon a material breach of contract pertaining to the EBO Program compliance;
- Suspension or debarment of Contractor from eligibility for providing goods or services to the County for a period not to exceed three (3) years; and
- Liquidated damages equal to the difference in dollar value of S/M/WBE participation as committed to in the Agreement, and the dollar value of S/M/WBE participation as actually achieved.

The only Affirmative Procurement Initiative (API) applicable to this Agreement is set forth in Section 4.6 of this Agreement. Contractor agrees to comply with Section 4.6 "SBE Preference".

Contractor shall report all subcontractor payment information on EBO forms 3 and

4, or as otherwise required by the Office of EBO, and, when the EBO portal is available, input subcontractor payment information directly into the County's contract management system.

Contractor shall pay subcontractors undisputed amounts within ten (10) days after County pays the Contractor. In the event of a disputed invoice, the Contractor shall send the subcontractor and County a written notice of the dispute within five (5) days after receipt of the subject invoice.

Contractor must notify the Office of EBO of changes in S/M/WBE utilization and get prior approval for any substitutions.

The Office of EBO has the right to review Contractor's records and interview Subcontractors.

5. **NAPA AGREEMENT.** Except as amended by this Second Amendment, the NAPA Agreement shall be and remain in full force and effect, unamended, unaltered and unmodified in any way or manner whatsoever, and each of the parties hereto ratifies and confirms the NAPA Agreement in all respects. In the event of a conflict between any provision in this Second Amendment and a provision in the NAPA Agreement, the provision in this Second Amendment will control.

6. **COUNTERPARTS.** This Second Amendment may be executed in one or more counterparts and each counterpart shall, for all purposes, be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

7. **CHOICE OF LAW.** THIS SECOND AMENDMENT AND THE RIGHTS AND OBLIGATIONS HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS IN ACCORDANCE WITH WHICH THE NAPA AGREEMENT IS TO BE GOVERNED, CONSTRUED AND INTERPRETED.

[Signatures on following pages]

[Signature page for Second Amendment]

IN WITNESS WHEREOF, the parties hereto cause their hands and seals to be affixed by their duly-authorized representatives effective as of the date and year first above written.

COUNTY:

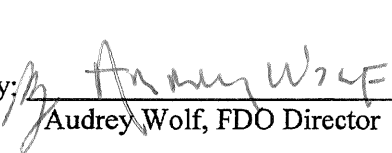
PALM BEACH COUNTY, a political
subdivision of the State of Florida

By: _____
Kathleen M. Scarlett, Purchasing Director

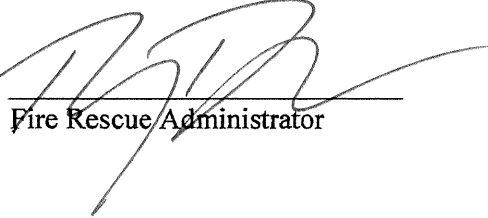
APPROVED AS TO
LEGAL SUFFICIENCY

By:  _____
Assistant County Attorney

APPROVED AS TO TERMS AND
CONDITIONS

By:  _____
Audrey Wolf, FDO Director

APPROVED AS TO TERMS AND
CONDITIONS

By:  _____
Fire Rescue Administrator

CONTRACTOR

GENUINE PARTS COMPANY,
a Georgia corporation

By: [Signature]
Name Printed: PATRICK WULFE
Title: DIVISION VICE PRESIDENT

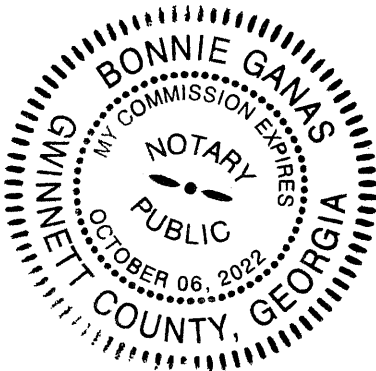
[Signature]
(Witness)

Sandy Sanford
(Print Witness Name)

[Signature]
(Witness)

Karl Eidam
(Print Witness Name)

(SEAL)



STATE OF GEORGIA
COUNTY OF GWINNETT

The foregoing instrument was acknowledged before me this
April 8, 2020 By PATRICK WULFE, DIVISION VICE PRESIDENT
(Date) (Name of officer or agent, title of officer or agent)

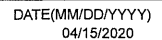
of Genuine Parts Company, a Georgia corporation, on behalf of the corporation, pursuant to the powers conferred upon said officer or agent by the corporation. He/she personally appeared before me at the time of notarization, and is personally known to me or has produced DRIVERS LICENSE
(Type of Identification)

as identification and did certify to have knowledge of the matters stated in the foregoing instrument and certified the same to be true in all respects.

Subscribed and sworn to (or affirmed) before me this April 8, 2020
(Date)

[Signature] Commission Number W-00384903
(Official Notary Signature and Notary Seal)

BONNIE GANAS Commission Expiration Date OCTOBER 6, 2022
(Name of Notary typed, printed or stamped)



INSURER A:	Old Republic Insurance Company	24147
INSURER B:	Safety National Casualty Corp	15105
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

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CERTIFICATE OF RESOLUTION

The undersigned, JENNIFER ELLIS, hereby certifies that she is Corporate Secretary of Genuine Parts Company, a Georgia corporation (the "Corporation"), and that at a meeting of the Board of Directors of said Corporation duly held on April 22, 2019, and at which a quorum was present, the following resolution was unanimously adopted and that the same is in full force and effect and has not been rescinded or modified:

"RESOLVED, that Patrick Wolfe Division Vice President, is hereby appointed, constituted and designated as agent and attorney-in-fact of the Corporation with full power and authority to act on behalf of this Corporation including but not limited to, the execution of all contracts, bids, papers, documents, affidavits, bonds, sureties issued pursuant to the business of his respective location, this Corporation hereby ratifying, approving, confirming and accepting each and every such act performed by the said agent and attorney-in-fact."

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the corporation, this 29th day of October, 2019.




JENNIFER ELLIS
Corporate Secretary
Genuine Parts Company